AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS FOR 2013

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED TWELFTH CONGRESS

SECOND SESSION

SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

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AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS FOR 2013

WEDNESDAY, FEBRUARY 29, 2012.

DEPARTMENT OF AGRICULTURE—OFFICE OF THE INSPECTOR GENERAL

WITNESSES

PHYLLIS FONG, INSPECTOR GENERAL, DEPARTMENT OF AGRICULTURE

DAVID GRAY, DEPUTY INSPECTOR GENERAL, DEPARTMENT OF AGRICULTURE

KAREN ELLIS, ASSISTANT INSPECTOR GENERAL FOR INVESTIGATIONS, DEPARTMENT OF AGRICULTURE

GIL HARDEN, ASSISTANT INSPECTOR GENERAL FOR AUDIT, DEPARTMENT OF AGRICULTURE

Mr. KINGSTON. While I hate to jump without our Ranking Member here, since we have the former Chair here, Ms. DeLauro, who is an army of one in so many respects, and everybody is running late. I know Ms. Lummis has another hearing going on concurrently. So we will go ahead and get started.

I want to welcome USDA Inspector General Phyllis Fong, and Deputy Inspector David Gray, and Assistant Inspectors Karen Ellis and Gil Harden. Welcome to all of you. This is the second Appropriations hearing we have had today. We are always very interested in your report. It is to me one of the highlights of any hearing in any committee. So I am glad to have you here.

Ms. DeLauro, do you want to say anything?

Ms. DELAURO. No, thank you.

Mr. KINGSTON. Okay, and Ms. Lummis?

Ms. LUMMIS. Mr. Chairman, it is all yours.

Mr. KINGSTON. Well, Ms. Fong, it is all yours.

Ms. FONG. Well, good afternoon, Mr. Chairman and distinguished members of the Subcommittee. We are very happy to be here again this year to talk about IG's oversight work at USDA and about our 2013 budget request.

I want to start by expressing our appreciation to all of you for your support over the years and your interest in our work. And as always, we welcome the chance to talk about what is on your mind and the interest you have in USDA programs.

You have my full written statement. So I just want to comment briefly on three points. In these times of constrained resources, it is more important than ever that we focus on delivering programs efficiently and reducing improper payments and fraud. These are good government initiatives that we believe have strong and widespread support across the community and government. And so we are focusing our work in three areas. We are looking at reducing improper payments within the department. We are looking at strengthening the food and nutrition programs, in particular the SNAP Program, and we are also spending time streamlining our own operations within OIG to make sure we are operating as effectively as we can be.

So let me start out with our work on improper payments. As you all know, we have a real interest in making sure that the programs deliver the right benefits to the right people in the right amounts. Our work ranges from recommending to the department that it take vigorous enforcement action against those who abuse the programs, to evaluating how agencies are working to reduce improper payments in their own programs. We also do investigations that pursue cases against those who defraud the government.

You will see in my testimony that we have issued a number of audits addressing high dollar overpayments in programs like the RD Housing Programs, business and industry loans, NRCS conservation easements, and FSA Program payments.

We have also reported significant investigations in the crop insurance and housing programs that involve millions of dollars.

Let me turn next to the SNAP Program, which of course makes up a large portion of USDA's budget. Over the past year, we have made a real effort to focus on fraud and integrity issues in that program. As you can see, we have devoted almost half of our investigative resources to SNAP cases. We obtained 179 convictions and over $26 million in results.

Some of our biggest cases involved retailers who defraud the program through trafficking of SNAP benefits. I think you all are very familiar with those kinds of cases.

On the audit side, we are working to minimize improper payments in SNAP by analyzing participant data in ten States. We are in the middle of that analysis right now. Thus far our results in five States indicate that over 8,500 recipients may have received improper payments totaling about $1 million each month.

So we have made recommendations to FNS to work with the States to require them to use a national database to make sure that death matches and Social Security number verifications are used in every case.

Well, I have a little bit of time left. So I would like to just spend that remaining time talking about what we in OIG are doing to streamline our own operations and to build a more efficient operation. Over the past year, we have approved voluntary buyouts and early retirements for 21 people during the first quarter of this fiscal year. We are seeking authority for even more buyouts later this year because our Recovery Act money will run out.

We have reduced our travel expenditures by 49 percent, totaling over a million dollars, and instead of traveling, we are using alternatives such as teleconferencing to try and carry out some of our audit work.

We have reduced our training expenses by 33 percent, and we are streamlining our business operations to really focus on the high priority work and to fill only the most significant vacancies on our staff.

We ask that this subcommittee support the budget request for OIG of $89 million. We believe that if you can support us in this, it will enable us for a relatively small amount of money, an investment, to really focus on some high value work that we have planned in the area of improper payment audits, in the area of oversight of international programs, and also to fund an initiative to work with State and local authorities to address SNAP fraud.

That concludes my statement, and we are all looking forward to answering your questions.

[The statement of Ms. Fong follows:]

UNITED STATES DEPARTMENT OF AGRICULTURE

OFFICE OF INSPECTOR GENERAL

STATEMENT OF THE HONORABLE PHYLLIS K. FONG

INSPECTOR GENERAL

Before the

Subcommittee on Agriculture, Rural Development, Food
and Drug Administration, and Related Agencies

Committee on Appropriations

U.S. House of Representatives

February 29, 2012

Good afternoon, Chairman Kingston, Ranking Member Farr, and Members of the Subcommittee. Thank you for the opportunity to testify about the Office of Inspector General's (OIG) fiscal year (FY) 2013 budget request, and provide information about our recent audit and investigative work.

In FY 2011, our audit and investigative work obtained potential monetary results totaling over $4.3 billion. We issued 45 audit reports intended to strengthen Department of Agriculture (USDA) programs and operations, which produced about $4.2 billion in potential results. OIG investigations led to 449 convictions with potential results totaling almost $113.6 million.

I will begin my testimony by describing our ongoing work to assess and improve the Department's programs and operations under the American Recovery and Reinvestment Act of 2009 (Recovery Act). Next, I will cover our most significant recent audit and investigative activities under our major strategic goals. I will conclude with a description of the cost saving actions that OIG is taking in FY 2012 to live within its budget constraints, as well as a summary of the President's FY 2013 budget request for OIG.

OIG's Oversight of Recovery Act Programs

With the additional funds Congress appropriated for Recovery Act oversight, we have been able to perform a comprehensive review of USDA programs, intended to ensure that the $28 billion in Recovery Act funds provided to USDA served their intended purpose. Notably, the funds OIG received allowed us to perform more audits with statistical samples. Sampling enables us to obtain a "bird's eye view" of how a program is operating and draw more detailed and accurate conclusions concerning whether a program is functioning effectively or not.

Recovery Act Single Family Housing Direct Loan Program

OIG is at the end of a review of the $1 billion the Recovery Act allotted to single family housing direct loans. These loans are intended to help very low and low income households buy homes when they cannot qualify for other credit. Based on a statistical sample of 100 loans, we identified 18 loans where we questioned the borrower's eligibility because field personnel had not ensured that borrowers were likely to repay their loans—3 of the 18 questioned loans were already under a servicing action and a fourth borrower had declared bankruptcy. Based on our overall sample results, we estimate that 1,450 loans (18 percent of the single family housing direct loans), with a projected total value of $173 million, may have similar issues that will result in increased risk of default. We recommended that Rural Development (RD) strengthen its controls to ensure that it lends only to qualified applicants, and agency officials generally agreed.

Recovery Act Business and Industry (B&I) Guaranteed Loan Program

The Recovery Act provided an additional $130 million in budget authority for RD's B&I guaranteed loan program, which seeks to finance business and industry in rural communities by guaranteeing quality loans. With this authority, the agency guaranteed a total of 515 loans across 47 States, and obligated more than $1.5 billion in Recovery Act funds. Our analysis of 55 statistically sampled loans found that 68 percent of applications were given unmerited priority for loan approval, and that 65 percent of requests for Recovery Act-funded B&I loan guarantees were reviewed inadequately because key financial data were not documented. As a result, the agency faces significant financial obligations if the borrowers default. Additionally, RD awarded guarantees to at least two loans that do not comply with eligibility regulations, valued at $6.2 million. Agency officials agreed with OIG's recommendations to improve how these loans are made.

Upcoming Recovery Act Reports

At present, we are starting the final phase of our Recovery Act audit objectives, which emphasizes how agencies are reporting their programs' accomplishments. Specifically, our work focuses on the performance measures being used to report these accomplishments, such as whether the funds expended contributed to creating or saving jobs.

But the value of our oversight will not expire with the end of Recovery Act funding. When we identify a problem with a program receiving Recovery Act funding, we are often helping to improve the overall program's performance for the future, whether the dollar spent is from a Recovery Act appropriation or not.

Similarly, we anticipate that our investigative work will continue in this area even after Recovery Act funding is no longer available. Our goal remains to timely identify and look into potential fraud involving USDA Recovery Act funds, including the prompt investigation of allegations of whistleblower reprisal, as set forth in the Recovery Act. Since the passage of the Act, OIG has received 60 hotline complaints from various sources and initiated several ongoing investigations.

Goal 1: Strengthen USDA's Safety and Security Measures for Public Health

One of OIG's most important oversight responsibilities is helping USDA ensure the wholesomeness of the U.S. food supply, and we continue to conduct audits and investigations intended to help USDA agencies reduce the risk of food contamination and food-borne illnesses. For example, in January 2006, when Japan halted U.S. beef imports—worth more than $1 billion annually—due to the discovery of vertebrae in a shipment of beef product originating from a U.S. company, OIG and the Food Safety and Inspection Service (FSIS) jointly conducted an investigation. As a result of our work, the Government filed a civil complaint charging the company with violations of the Federal Meat Inspection Act. In April 2011, permanent injunctive relief and escalating monetary penalties were granted in an effort to prevent the company from future violations of the Act or of the Agricultural Marketing Service's Export Verification Program rules.

Because food safety responsibilities are spread between multiple agencies both within USDA and without, OIG has emphasized the need for greater coordination between agencies responsible for food safety.

The Food Emergency Response Network (FERN)

In our March 2011 audit of FERN—a program that was developed to integrate the Nation's food testing laboratories into a network able to respond to emergencies involving biological, chemical, or radiological contaminants—we emphasized the need for FSIS to better coordinate with the Food and Drug Administration (FDA). We found that FSIS, in coordination with FDA, needs to take steps to formalize FERN, ensure that the program's laboratory capacity is sufficient to respond to emergency surges, and implement targeted surveillance of the food supply. Such surveillance should benefit the network by ensuring that emergency response personnel are able to execute their assigned tasks. Generally, FSIS agreed with our recommendations, and took steps to initiate a more robust program of targeted food surveillance.

Research into Genetically Engineered (GE) Insects and Animals

OIG has recently completed an audit of the regulatory situation pertaining to cutting-edge experimentation in GE animals. We found that the Animal and Plant Health Inspection Service (APHIS) has not issued regulations specifically addressing the introduction (import, interstate movement, or field release) of GE animals or insects. We recommended that APHIS develop such regulations. We also found that USDA needs to address specific security and research-related problems at several laboratories performing research into GE animals and insects. Agency officials agreed with our recommendations.

Employee Safety and Animal Welfare

In addition to food safety, assuring the personal safety of USDA employees is paramount. In January 2011, an OIG investigation disclosed that, from 2009 through 2010, a USDA official sexually assaulted his female subordinate on multiple occasions. In February 2011, this official was charged in Federal court with four counts of aggravated sexual assault. He pled guilty in March 2011 to one misdemeanor count of sexual assault and in April 2011 was sentenced to 5 months' incarceration.

OIG also conducts work that promotes animal welfare. In November 2011, a horse trainer was sentenced to 24 months of probation after he pled guilty to knowingly transporting a horse with legs and hooves that had been intentionally sored (i.e., injured so that the horse walks with a certain gait). Injuring a horse in this manner is a violation of the Horse Protection Act.

Upcoming Work

We are preparing a second report on efforts to improve how FSIS tests ground beef for *Escherichia coli* O157:H7. In our February 2011 report on this topic, OIG made recommendations to FSIS concerning how it samples beef so that the agency could improve the accuracy of its tests. In Phase 2, we are visiting beef slaughter plants and analyzing how the beef industry's sampling and testing protocols vary among plants and whether they differ from FSIS standards.

Goal 2: Strengthening Program Integrity and Improving Benefit Delivery

One of OIG's most important goals is helping USDA safeguard its programs and ensuring that benefits are reaching those they are intended to reach. This year we have made a concerted effort to help improve the integrity of the Supplemental Nutrition Assistance Program (SNAP).

Trafficking in SNAP Benefits[1]

In FY 2011, OIG devoted about 46 percent of its investigative resources to SNAP-related criminal investigations, and our investigations resulted in 179 convictions and monetary results totaling

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[1] Trafficking is the illegal exchange of SNAP benefits for cash.

$26.5 million. In a recent example, OIG worked jointly with Immigration and Customs Enforcement to determine whether a SNAP retailer was engaged in a conspiracy to defraud SNAP through trafficking, wire fraud, money laundering, and operating an unlicensed money transmitting business. The investigation revealed that the SNAP retailer trafficked at least $3.1 million in SNAP benefits. In January 2012, the owner was sentenced to 46 months of incarceration, and ordered to pay $2.5 million in restitution.

OIG also is working to minimize fraud, waste, and abuse within SNAP by performing a series of data mining audits analyzing 10 States' participant databases.[2] We have completed work in five States—Kansas, Florida, Louisiana, Alabama, and Mississippi—and found a total of 8,594 recipients who were receiving potential improper payments. We estimate that these recipients could be receiving a total of about $1.1 million a month.

In our reports, we have recommended that the Food and Nutrition Service (FNS) require State agencies to ensure they use a national database to perform death matches and social security number verifications, and that they perform checks to make sure information is entered correctly. Generally, FNS has agreed with our recommendations and is taking corrective action.

On December 1, 2011, we presented the early results of this work to the Subcommittee on Department Operations, Oversight, and Credit of the House Agriculture Committee. Based on the feedback we received, we expanded the scope of our audit work to include evaluating the adequacy of FNS and State tools to prevent and detect SNAP fraud, determining whether the States are using all available tools, and identifying and evaluating the integrity of amounts reported for recipient and retailer fraud.

Improper Payments at USDA

OIG has also continued its work to reduce the rate and volume of improper payments in USDA. In July 2011, we released our first required report focusing on "high-dollar" overpayments in high-risk programs. Our review found that USDA submitted its FY 2010 high-dollar overpayment reports after the deadline, did not report all high-dollar overpayments, and did not accurately report its corrective actions. These problems occurred because USDA did not have an adequate reporting process in place. We recommended that the Department and its agencies take steps to formalize and improve their reporting processes, and the Department concurred with our recommendations. We have used this review as the basis for more detailed, ongoing reviews aimed at decreasing improper payments at the Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS).

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[2] The 10 States are Alabama, Florida, Kansas, Louisiana, Massachusetts, Mississippi, Missouri, New Jersey, New York, and Texas.

Abuse of Programs by Participants

In addition to improper payments, we often investigate program participants who provide false information to USDA agencies to obtain payments to which they are not entitled. In one such investigation, OIG found that a large number of farmers in North Carolina concealed their production and then subsequently filed false crop insurance claims based on non-existent losses. This was a far-reaching conspiracy, involving farmers, warehouse operators, insurance agents, and loss adjusters, all of whom assisted in filing false claims and concealing the farmers' actual production. To date, 24 individuals have pled guilty to various crimes in Federal court and, in total, have been ordered to pay $19.8 million in restitution, fines, and forfeiture.

I also would like to draw the Subcommittee's attention to an especially significant case involving mortgage fraud. Between 2001 and 2003, employees of a Michigan mortgage company issued 271 guaranteed single family home loans, valued at over $38 million. OIG's investigation disclosed that at least 63 percent of the loans reviewed were based on false borrower income certifications, fraudulent pay statements, forged application signatures, and altered credit scores. These bogus documents were subsequently provided to RD for loan guarantees. Between 2003 and 2008, approximately 40 of these loans defaulted, resulting in RD paying out over $2.3 million in guarantees. As a result of this case, four individuals received sentences ranging from 2 years of probation to 18 months in prison and have been ordered to pay $8.7 million in restitution.

Upcoming Work

OIG has several particularly significant audits in process. First, we are completing fieldwork on participant eligibility and vendor management in the Special Supplemental Nutrition Program for Women, Infants, and Children. The overall objective of this audit is to evaluate implementation of food delivery regulations intended to improve the integrity of vendor management, and assess how FNS determines if participants are eligible for the program.

We are also in the process of completing work on FSA's Conservation Reserve Program, which provides incentives to farmers to maintain conservation practices to prevent soil erosion and chemical run-off. Our audit was designed to determine whether FSA has effective controls in place to ensure that the rates used to pay benefits to these farmers were reasonable.

Goal 3: OIG Work in Support of Management Initiatives

OIG works to improve the processes and systems the Department needs to function. USDA must manage vast amounts of data associated with its many programs and operations, information that ranges from agricultural statistics that drive domestic and global markets to inspection systems that help ensure our food is safe. As you are aware, USDA is facing many challenges to operating information technology (IT) that complies with all Federal requirements.

Security Challenges Concerning Smartphones

Like other Federal departments, USDA increasingly relies on smartphones and other handheld wireless devices to conduct its day-to-day business. Of approximately 10,000 wireless handheld devices USDA uses, we reviewed 277 devices and found that all 277 devices were not adequately secured. We found wireless handheld devices that were not password-protected, had no anti-virus software installed, and were not configured to encrypt removable media. Ultimately, these problems occurred because USDA deployed wireless handheld devices using a decentralized approach, and did not provide its agencies with clear guidance on how they were to configure their devices and servers. We recommended that the Department take steps to ensure that agencies understand how to configure their wireless devices to meet Federal standards, and Departmental officials agreed.

Contracting Challenges with Cloud Computing

As part of our FY 2011 Federal Information Security Management Act reporting requirement, we reviewed an IT contract issued to a large computing company in order to provide "cloud-based" internet services to USDA. We found that the contract was signed by a USDA contracting officer who did not have the warrant authority to bind the Department to this contract. She signed a contract for more than five times her authority, which was restricted to contracts with a value up to $5 million. We recommended that the Department take steps to rectify this situation, and also ensure that its contracting officials do not exceed their authority in the future. Departmental officials agreed.

Employee Integrity

While the vast majority of USDA employees go about their work with the highest standards of integrity, OIG investigates allegations of wrongdoing when an employee is accused of breaking the law. In June 2011, a former Forest Service accountant was sentenced to 4 years of incarceration for mail fraud, and was ordered to pay restitution of $1.1 million. These charges resulted from a year-end review that disclosed that more than $600,000 was missing from funds the agency collected to provide a service to private vendors in one of the national forests in California. OIG's investigation revealed that the accountant had embezzled approximately $1.4 million by redirecting funds from multiple private vendor accounts to a corporation she and her husband owned.

Upcoming Work

As required by law, OIG has begun conducting a performance audit based on a statistical sample of adjudicated claims from *In re Black Farmers Discrimination Litigation,* the discrimination litigation commonly known as Pigford 2.

Goal 4: Improving USDA's Stewardship of Natural Resources

We have recently completed an audit of NRCS' Farm and Ranchlands Protection Program, which keeps selected parcels of land from being developed for housing or other non-agricultural purposes. We initiated this audit after we learned that NRCS State officials in Michigan might be approving conservation easements with inaccurate appraisals. We found that NRCS accepted conservation easement appraisals even though they did not meet standards or were unsupported. Although appraisals should reflect the current value of the land, we found that the State Conservationist did not note that 20 of 34 conservation easements (59 percent), closed since FY 2006, had appraisals that were too outdated to be accurate. In total, we questioned $7.6 million of the $11.5 million NRCS paid for conservation easements in Michigan from FY 2006 through FY 2010. We recommended that the NRCS State office improve its oversight processes to ensure that payments are not made to cooperating entities using invalid appraisals, and take more timely action when a cooperating entity submits appraisals that do not meet standards. Agency officials agreed.

An OIG investigation of this program resulted in a land trust organization in Wisconsin entering into a settlement agreement to pay $50,000 to partly reimburse NRCS for overpayments caused by false statements submitted by the organization's former executive director. These false statements led to

NRCS paying too much to purchase conservation easements from four Wisconsin landowners participating in the Farm and Ranchlands Protection Program.

Upcoming Work

OIG is reviewing how NRCS is using Recovery Act and non-Recovery Act funds to rehabilitate aging dams across the country. In 2009, we reported serious issues with how NRCS was prioritizing dams for rehabilitation—the agency was not always focusing first on dams that, if they failed, might cause serious loss of life. Our current audit will evaluate whether NRCS has implemented the recommendations from our prior audit, and whether NRCS has more effectively used subsequent funds.

OIG's FY 2013 Budget Request

Since 2011, OIG has responded to the call to reduce Government spending while building a stronger and more efficient agency. We have taken a number of steps to increase our effectiveness within our limited budget:

- We approved voluntary buyouts and early retirements for 21 employees during the first quarter of FY 2012, and are seeking authority for 30 more to offset the reduction in available funds as OIG's Recovery Act funding expires in December 2012.
- We are using alternatives to Government travel, including teleconferencing and videoconferencing, which allowed us to reduce our travel expenditures by $1.1 million, or 49 percent, during both FY 2011 and FY 2012.
- We reduced the amount we spend on training by $203,000, or 33 percent, by relying more on the training that we provide our employees "in-house."
- We have reorganized and restructured to streamline business operations within the agency to better focus on high-priority work. As vacancies arise, we have filled only key positions.
- We have taken steps to reduce our telecommunications costs, including inventorying all phone lines and disconnecting unused lines. We also have consolidated contracts for smartphones and copiers to achieve greater efficiency.

Thanks to this work, we are a leaner and more effective agency that is better able to carry out our mission. For example, our improved efficiency allows us to reinvest in IT infrastructure and obtain more communication services, such as bandwidth, with the same money we used to pay for basic phone lines.

We ask that you support the President's FY 2013 budget request of $89 million for OIG, which would enable us to provide effective oversight of USDA programs and help ensure that tax dollars are being well spent.

The President's budget request includes modest increases in areas where we should be able to produce a high-value return for a relatively small investment:

- $800,000 to support statistical samples in audits of improper payments. Statistical sampling allows OIG to project the results of our audit work to the entirety of program, which multiplies our work's range and effectiveness, especially for very large programs like SNAP.
- $1,072,000 to fund an OIG initiative to address SNAP fraud. OIG investigative teams plan to more actively engage State and local authorities and pursue the prosecution of both retailers and recipients involved in benefit trafficking.
- $613,000 to fund enhanced oversight of USDA's international programs.
- $468,000 to support the Council of the Inspectors General on Integrity and Efficiency by funding Government-wide activities to identify vulnerabilities in Federal programs.

From FY 2006 to 2011, the potential dollar impact of OIG audits and investigations has been $5.7 billion, while our appropriations have been $502.5 million. For every dollar invested, we have realized potential cost savings and recoveries of about $11.42. This calculation does not include the value of our food safety work and program improvement recommendations, which are not so easily quantified.

This concludes my testimony. Thank you again for the opportunity to appear today, and we would be pleased to address your questions.

Mr. KINGSTON. Thank you, Ms. Fong.

Mr. Farr, do you want to have any opening statements or anything?

Mr. FARR. No.

SNAP FRAUD

Mr. KINGSTON. Let me ask you a question in terms of SNAP that had come up yesterday with FNS and Under Secretary Concannon. There was a Scripps news article that said almost a third of the stores that were selling SNAP had been closed for fraudulent practices previously, and it turns out I think it is 1,436. I do not have the number in front of me, but that those had new ownership, and when asked about it, Secretary Concannon said that it was actually 36 stores that turned out had violations or, you know, the second offense and should have been closed, and he was addressing that.

Have you looked at those numbers and is that correct? Does that sound right to you, or is that something that you are looking at?

Ms. FONG. I know what you are referring to. We are very aware of those articles and those numbers. We understand that FNS took the results of those stories and did the analysis from the program standpoint, and we were given access to those numbers just in the last couple of days. So we have not been able to independently form an opinion on where those numbers come from.

Mr. KINGSTON. Would that be something that falls within your jurisdiction?

Ms. FONG. Well, we are very concerned about the issue of disqualified retailers coming back into the program. We have done audit work in that, and we could, if there is an interest, we could talk with FNS to get an understanding of those issues.

Mr. KINGSTON. Well, the SNAP Program has gone from $39 billion in 2008 to $85 billion today; 42 million people on it, and it is the largest expense——

Ms. DELAURO. Forty-six million.

Mr. KINGSTON. Forty-six? It is the largest expenditure of this appropriation bill, and I think that the error rate, 3.8 percent, is low, but it is still $2.5 billion.

And so what I am trying to do, and I think members of the Committee share this concern, is find the common ground in which we could all agree let's go after it. Let's try to eliminate this waste and these problems or these inefficiencies.

PAYMENT ERROR RATE

So that would be something that I think we would be interested in. Also, school lunch, a 17 percent error rate, that is $1.6 billion, and then school breakfast is a 25 percent error rate. Have you looked at those two programs?

Ms. FONG. Not recently. Those are programs that we do feel need to be looked at. As to the improper payment rates in those programs, it would be worth getting a more recent look at those improper payment rates because I am not sure that the rates are as current as they could be. So that would be an area that I think we could certainly follow up on.

Mr. KINGSTON. Actually, I think that was from the February 7th GAO report. It was a 16 percent error rate, $1.7 billion.

Mr. HARDEN. But what we do know about the error rate, when we did some of our work for improper payments, the metrics that they are using to set that up needs to be brought more current. The data is a little stale from when we last looked at it.

Mr. KINGSTON. That would be of interest because one of the questions I had for Mr. Concannon on the error rate in general is who defines what the error rate is, and if the USDA, for example, defines what their own error rate is, then it is like the pitcher calling his own balls and strikes. You do not really know if it is completely objective, and metrics should be like a ruler. It should be a universal measure that anybody can use.

So if you're saying that an error rate that GAO is using is different than you would see, then what is the difference?

Well, if you are saying your metrics are different in terms of their error rate is 16 percent, what is your error rate if you disagree with that?

Mr. HARDEN. I am sorry. I am talking about work we did for improper payments where they were supposed to say how they were defining.

Mr. KINGSTON. Yes.

Mr. HARDEN. That was saying how they defined it.

Mr. KINGSTON. I will tell you what my frustration is, and I think, you know, Ms. Fong and I have had this conversation, but often you feel like the movie Groundhog Day. Have any of you guys seen it? You know, it wakes up and it does the scenario over and over again.

And so often the IG report, while it is something that is very good and useful to us, often when we talk to the agency, and it does not matter what agency or what IG, it is, you know, "Oh, yeah, but those were two years ago. Everything has changed."

And it just seems like, well, when are we going to get to the point where something is found to be wrong or lacking, and we correct it and it does not happen again, and that is the frustration I get.

And if you are saying, well, that error rate is not up to date, well, what in the heck are we supposed to use? You know, that is the error rate that was reported February 7th, four weeks ago, three weeks ago.

I do not know if you want to address that in my next round. I know my time is up.

It seems like we were just here, speaking of Groundhog Day. Mr. Farr, we had a three-hour hearing already. Mr. Farr, my time is up.

Mr. FARR. Thank you, Mr. Chairman.

I am just interested and maybe you stated it, but on SNAP how much of your resources or time is spent percentage-wise investigating SNAP?

Ms. FONG. Last year we spent 46 percent. This year we are up to 47 or 48 percent.

Mr. FARR. Forty-eight percent of the IG resources on SNAP, and the error rate is coming down, and you said it is down to 3.8 percent from where it was at over four percent, and it is still about two and a half billion dollars. Is that what you said, Mr. Chairman?

Mr. KINGSTON. Two and a half billion for error, and that includes overpayment, too. If you will yield, what all is included in that? It is error, overpayment? I mean what is the definition that falls in that 3.8?

The primary cause is incomplete or inadequate reporting of income by participants and incorrect eligibility determination by case workers. So generally, and that is 3.8 percent or $2.5 billion.

Mr. FARR. It is a lot of money, but I just think we ought to put it in. We are all on the Appropriations Committee, and not this subcommittee but another one that you sent on is the Defense Subcommittee, and the GAO report yesterday outlined areas in the Defense budget where duplication could yield possible savings. And I just added it up. It is $145 billion in savings over the next ten years.

Mr. KINGSTON. If my friend will yield, let's go after it because I would be very interested.

Mr. FARR. And a staggering $70 billion in waste in purchasing systems last year. I mean, so GAO to GAO, we ought to go where the big money is. You know, let's go to the bank.

NATIONAL ORGANIC MILK PROGRAM

But I have a question, Ms. Fong. I represent a lot of the organic industry and carried the bill in California that started the whole industry in that State. There are a lot of certifiers in our State. Some of the areas that the States did not get into where we are going to create a national organic program, and I know you have audited the milk program, the National Organic Milk Program, and I do not know whether you have published your results yet, but I am very interested in hearing what you found out.

Ms. FONG. Well, you are exactly right. We did do an audit of the National Organic Milk Program, and we issued the report earlier this week. So it is a very recent report, and we were looking at that industry to see whether the industry was complying with USDA standards for organic milk, and we had a couple of very significant recommendations.

We felt that the certifying agents really need to focus more on the issue of whether genetically modified material is being addressed appropriately. We also looked at the transportation of milk.

Mr. FARR. So GMOs that might be used in the dairy business.

Ms. FONG. There needs to be a focus on that to insure that everything——

Mr. FARR. That it is not being labeled organic.

Ms. FONG. And then we also had a concern with the potential for organic milk, milk that is produced organically being transported in ways that are not necessarily certified as an organic transport method, and so we are recommending that AMS focus on those issues. And there are a couple of other recommendations as well.

Mr. FARR. That is like mixing of different milks in a big milk transport?

Ms. FONG. It has more to do with the cleansing agent for the transport mechanism and the cleansing agents do not have to be certified as organic. And so there is a potential for a truck or whatever is transporting the milk to have been cleaned with something that is not certified organic.

Mr. FARR. I see. Well, this is very helpful. Marin County in California has an incredible organic milk program and phenomenal milk, but I appreciate your looking into this because once you get questions of the validity of certification, it taints everything that is certified.

I know that the real producers and ones that abide by the rules will be very pleased to see that you are cracking down on some that are not abiding by the rules.

I have some other questions, but in the interest of time and my time has expired. Thank you, Mr. Chairman.

Mr. KINGSTON. Ms. DeLauro.

Ms. DELAURO. Thank you very much, Mr. Chairman, and welcome to you all. It is great to see you, and I thank you for the great work that you do.

FSA FARM INSURANCE PROGRAMS

I have a question about the FSA Farm Insurance Programs. In 2010, over $61,000 of improper payments were identified by OIG within the FSA's five programs targeted to farmers and ranchers who need assistance in recovering from losses caused by natural disasters. The five programs are the Supplemental Revenue Assistance Payment Program, the Livestock Forage Disaster Program, the Emergency Conservation Program, the Livestock Indemnity Program, and the Dairy Economic Loss Assistance Program.

In Fiscal Year 2010, they were responsible for $2.4 billion in payments. Based on OIG's audits, have you been able to calculate error rates for each of these five programs?

Was there a common problem that all of the programs shared that led to the improper payments, or does each program need an independent review?

Go for it.

Mr. HARDEN. We have not calculated an improper payment rate for each one of those programs, but we did see something similar with payments for 2010 for the SURE Program, which was the biggest part of the sample, and the biggest problem with that is that they do a manual calculation, and the field was very unknowledgeable about how to do all of the calculations, and they were very complicated, which is what led to the error rates that they had there, and they had been working on trying to rectify that problem since.

We have recently completed some work for SURE related to the Recovery Act where we are not making the additional recommendations because they still need to fix the problems with the manual calculations. It was not a new problem.

Ms. DELAURO. Will you be calculating an error rate and a dollar amount attached to that?

Mr. HARDEN. Not for the current work that we did. I mean, we were able to project the amounts that we had from prior work, but it did not develop an error rate itself.

Ms. DELAURO. Can you do that? Will you do that? Why would we not do that in terms of improper payments?

Ms. FONG. Let me just offer a comment on how improper payments are determined.

Ms. DELAURO. Sure.

Ms. FONG. My understanding is that the requirement is under the statute and OMB guidance. Programs have the responsibility for calculating their improper payments and identifying which programs have a risk of high dollar payments, and if they identified their own programs as being at risk, they have to determine mitigation factors and actions they take.

And so all of the calculations that USDA reports for its various programs in improper payments are numbers that are calculated by the programs themselves based on the formulas that they develop, and those numbers are published publicly, and we as auditors come in and, you know, we take a look. We do testing perhaps. We may look for specific instances of payments and maybe look to find out why the payments occurred, but the rates themselves are calculated by the programs.

And so the question——

Mr. KINGSTON. If the gentlewoman will yield, do they not give that error rate themselves then? Because it looks to me like you would be verifying it, but they should keep it themselves as well.

Ms. FONG. Yes. They are the ones who are responsible initially for calculating it and updating it and working to address it, and then we can——

Ms. DELAURO. But we can find out what the error rate of these programs?

Ms. FONG. I think the question would be appropriately posed to a department witness.

USDA MARKETING PROGRAMS

Ms. DELAURO. Very quickly if I can, in regards to marketing programs at USDA, has the OIG done any recent work to assess label integrity or other marketing topics? If not, are there specific areas of concern that should be addressed?

Mr. HARDEN. Yes. We issued a report last fall or last August on the Country of Origin Labeling Program. It is a relatively new program being implemented by AMS, and pointed out some weaknesses or things that——

Ms. DELAURO. For instance?

Mr. HARDEN. For instance, how they select retailers for review, as their review process for going out and reviewing the retailers and how they were displaying the country of origin label and whether that was done right. Because it was a new program itself, it also did not have a good enforcement mechanism, you know, when they found problems. So we made recommendations in that area.

We are also doing some work that should be out later this spring on the oversight of the Research and Promotion Boards that AMS oversees, and maybe even later this year we also have work related to the Beef Board itself.

FOOD SAFETY

Ms. DELAURO. USDA has done some significant work in the area of food safety, prevention and detection of E. coli in our food supply. What is the status of your work in that area and do you expect to continue having a presence in the important area of food safety?

Mr. HARDEN. The status of that work is that we have just issued the draft report to the agency. So I think the report on that will be out in late April addressing how they did the E. coli testing and at the actual plants, and then, yes, we will be doing additional work in food safety as we plan for the next year.

Ms. DELAURO. When will that be public?

Mr. HARDEN. The report on E. coli will be public probably in April.

Ms. DELAURO. Okay. Thank you, Mr. Chairman.

Mr. KINGSTON. Mr. Bishop.

CIVIL RIGHTS CASES

Mr. BISHOP. Thank you very much, Mr. Chairman.

Welcome, Ms. Fong. I understand that your office has performed, has started to perform performance audits on a sample of claims in the Pigford II discrimination cases. Can you explain the methodology that your office will be using to evaluate the sample of the claims to determine if fraud has occurred, and is your office playing any similar role with regard to the Garcia settlement that is with the Hispanic groups; the Love settlement, which is the discrimination against women; and the Keepseagle settlement, which is Native Americans?

Ms. FONG. Yes, this is a very significant audit requirement for us, as you know. We are required by law to do the Pigford II performance audit, and it says that within 180 days of the initial adjudication of claims we must start our audit, and it has to be based on a statistical sampling of the adjudicated claims.

And as you probably know, the claims have started to come in, and we understand that they will start flowing through at least until the end of May, perhaps further into the summer.

We are working. We have started our audit. We have started our field work on that. We are developing our statistical methodology for sampling on that. I am not able to speak about that, but I will turn to Gil who can probably address that part.

Mr. HARDEN. Well, I guess the biggest thing that I would say about that is maybe once we settle on our methodology, if we can make time to come back and brief you and your staff on that because the team started on that work in the field just late last month, in January. Yes, this is February, and to get an understanding of how the whole process is going to work with the neutrals and the adjudicators and claims administrator. So we are really trying right now just to get our hands on how that process is going to work so that we can know how we are going to address that.

Mr. BISHOP. Thank you.

Ms. FONG. With respect to the other class action suits, Garcia, Love, and Keepseagle, we do not have any audit work initiated at this point. We have not, under the terms that govern those pieces of litigation, we have not received a request for an audit, and we have not been mandated to perform an audit.

Mr. BISHOP. So you do not have any plans to perform audits on that unless you are requested?

Ms. FONG. Well, not at the moment. I mean, at the moment we are very much focused on doing a good job on Pigford II first.

Ms. DELAURO. Will the gentleman yield for a second here?

It is my understanding that we have not come to any real conclusion yet on either Garcia or on Love. I do not know if that is the case on Keepseagle, but they have not even come to some sort of a plan in which to accept claims in those two instances directly, Mr. Bishop.

Ms. FONG. We can provide more information for the record. My understanding is that the court is still looking at those issues.

[The information follows:]

At the hearing, there was discussion about the status of the litigation in Garcia, Love, and Keepseagle class action suits, and whether a plan had been developed in which to accept claims in those cases. We indicated that our understanding was that the court was still looking at those issues, but that we could provide more information for the record. We have consulted with USDA's Office of General Counsel, the Department's internal representatives with respect to the status of the litigation. With respect to Keepseagle, a settlement was approved on April 28, 2011, and the lawsuit was dismissed on April 29, 2011. The claims period ran from June 29, 2011, through December 27, 2011. The neutrals are administrating and adjudicating the claims and the agency is still working towards programmatic relief. The agency has 5 years to complete the programmatic relief. With respect to Garcia and Love, we have been informed that those cases are stayed with the court and that USDA is in the process of hiring a claims administrator, although there is no set date for hiring this individual.

Mr. BISHOP. Thank you.

NCL PEANUT PRICES

On another subject, I have asked in the past about the work that your office has done to audit NCL peanut prices that are paid to farmers. As you know, the DAB is reported to the National Agricultural Statistics Service and used by FSA to calculate program payments. The OIG has expressed concern about the reliability of the data that is supplied by peanut buyers and recommended that FSA should seek authority for mandatory price reporting for in shell peanuts.

As we approach the 2012 farm bill debate, has the OIG conducted any additional activity on peanut pricing? And if so, can you elaborate on the nature of that activity? If not, do you plan on pursuing additional research or audits in the near future?

Ms. FONG. Let me offer a few comments and then I will turn to Gil.

You are right. We did issue an audit a few years ago on that, a very strong audit finding in my view and recommendation. We have not done any work since then because we believe the recommendation is still a good one and well supported.

Right now we are very aware the farm bill is coming up for action, and we are putting together a report for the authorizing committees that summarizes our most significant work in the farm bill titles over the past five years, and I think this would be an issue that we will be able to surface at that time.

Mr. BISHOP. Would you be willing to share those recommendations?

Ms. FONG. That product?

Mr. BISHOP. That product?

Ms. FONG. We would be happy to do that.

Mr. BISHOP. I am sorry. Would you be willing to share those recommendations and that audit work, that work product with me also?

Ms. FONG. Yes. When we issue that report, we will be issuing it publicly, and so we will be happy to share it with the Committee and put it on our Web site and share it with you as well.

Mr. BISHOP. Thank you.

CONSERVATION PROGRAMS

Mr. KINGSTON. Okay. Round two. On the Conservation Reserve Program, has that been audited?

Mr. HARDEN. We are in the process of issuing a report right now on the Conservation Reserve Program and specifically related to the rental rates that are paid.

Mr. KINGSTON. How about the eligibility of the land that goes into it?

Mr. HARDEN. The review that we are just completing does not include that aspect, no.

Mr. KINGSTON. It would appear to me that a lot of the land that is in there is not highly erodible and that the program is oversubscribed. But you are saying your audit would not look at that on the qualification of the land that is in it?

Mr. HARDEN. Well, the weakness that we identified going in was the rates that were being paid because there were differences in how States were adjusting the rates, and so we were looking to see if people were being overpaid on the contracts that they were entering into.

Mr. KINGSTON. And although you are not finished, where do you think you are going to end up?

Mr. HARDEN. The audit team has come up with and we are discussing with FSA some significant overpayments there.

Mr. KINGSTON. Could you make those available to the Committee?

Mr. HARDEN. Yes.

Mr. KINGSTON. Now, what about the EQIP Program and some of the other conservation programs? Are you looking at those? I know CRP is the largest.

Mr. HARDEN. We have not looked at EQIP in the recent past. We would have to put that in our mix for planning for future years.

Mr. KINGSTON. How about WHIP? Anything on that?

Mr. HARDEN. Not on that program, no.

CROP INSURANCE

Mr. KINGSTON. As soon as you get the conservation reserve stuff, and even if you know a little bit right now, I think we would be interested in it. What about crop insurance? What is the error rate on that?

Mr. HARDEN. That we have not looked at an error rate specifically. We have looked at particular problems with crop insurance, but not at an error rate.

Mr. KINGSTON. And have you supplied us with what those problems are?

Mr. HARDEN. Yes. The two reports that we have issued in this last year deal with the hurricane problems in Florida and citrus canker problems also in Florida.

Ms. FONG. I think the RMA has reported an improper payment rate of 4.72 percent for Fiscal Year 2010.

Mr. KINGSTON. And what does that come to dollar-wise? Do you have that?

Ms. DELAURO. If the Chairman would yield.

Mr. KINGSTON. Yes. That is what I have asked.

Ms. DELAURO. The dollar amount——

Mr. KINGSTON. She is looking.

Ms. FONG. The chart that I am looking at, I think, would show $247 million, but again, that should be confirmed with the department.

Mr. KINGSTON. But that would be in one state with two types of crop insurance only, right?

Ms. FONG. Oh, no, I am sorry. That is program-wide.

Mr. KINGSTON. Okay.

Ms. FONG. For the two audits that Gil is talking about, we had improper payments on the citrus crop indemnity program from Hurricane Wilma of about $44 million, and we suggested that the indemnities not be paid.

And then on the citrus canker tree loss audit, we found an error of $1.1 million in duplicate payments because that was a situation where both RMA and APHIS had programs to reimburse growers, and because of a lack of coordination, there were some duplicate payments of about $1 million.

Mr. KINGSTON. I think what we want is as many of these things as possible that we can put into our stack of things that we could possibly address in order to reduce payment.

USDA HOUSING PROGRAMS

Now, on single family housing, I understand that on your sample of 1,450 loans out of 8,100 loans, that $173 million was out there for ineligible and high risk borrowers, totaling over $4 billion, and 30,000 loans were made that were ineligible; is that right?

Mr. HARDEN. I think you are combining results from two different reviews.

Mr. KINGSTON. Okay. Then divide it for me.

Mr. HARDEN. On the guaranteed single family housing audit, that is where you had the $4 billion that was spent on ineligible or people that were not eligible for the loans. That breaks down into one——

Mr. KINGSTON. Just a minute. Thank you.

Mr. Harden has this low, melodious voice. So I just want to hear.

Mr. HARDEN. For the guaranteed housing audit that we did, there was a projection of about $4 billion for ineligible loans. About one and a half billion of that amount was the ones that were at serious risk because the borrowers did not have the ability or we did not think had the ability to repay their loans or they were at risk for going bad.

The other portions of that were because the lenders made the loans to people that exceeded the requirements. They had too much income. They were able to get conventional credit or some of the aspects there.

On the Direct Housing Program, we did a sample, and that is the one that was a projection of 173 million, and those were really more at risk because the borrowers in all categories we found either did not have the credit scores that you would want them to have and so they would be a credit risk, and they did not show a history of repaying their loans.

Mr. KINGSTON. Like in SNAP when a store breaks the rules they are barred, what happens to a bank when they give a loan that they should not have done?

Mr. HARDEN. We are currently looking at the housing loss claims that are done and what RHS does to those lenders. At the time of our audit on the eligibility part, we were not looking at the lenders per se. We were currently looking at what they did with the lenders.

Mr. KINGSTON. So as far as we know, those lenders may still be out there. Maybe they are not doing it anymore, but they are still out participating in the program?

Mr. HARDEN. As far as I know, they are still part of the program.

Mr. KINGSTON. Now, of the 30,000 loans, how many lenders do you think were involved?

Mr. HARDEN. That I would have to get back to you.

Mr. KINGSTON. But would it be a relatively small number or is this widespread?

Mr. HARDEN. I think, if memory serves me right, there is probably a handful of large lenders that work with RHS in this program. There may be some that are local, but some of the big players there is only a handful. I would have to get back to you on what those names are.

[The information follows:]

There were 23 different lenders who made the 33 loans we questioned in our audit report. We statistically projected the 33 loans to 30,310 loans in the RHS portfolio of over 81,000 loans.

Mr. KINGSTON. I think we would be very interested in it.

Mr. Farr.

FRAUD

Mr. FARR. In Mississippi, I understand you undertook an investigation of Mississippi involving a fraudulent scheme to get a business loan for a catfish operation. The individuals obtained a fraudulent loan of $9.5 million. Interesting to note that that $9.5 million is in one case many, many times more than the total of all the SNAP payments that we questioned.

Can you discuss the problems you encounter in trying to go after these individual acts of fraud involving these large amounts of money? Are they oftentimes really sophisticated folks with lawyers and accountants who can drag on this process for years or can you go after them pretty readily?

Ms. ELLIS. The investigations are relatively time consuming because it does involve a lot of going through financial records, which is a very lengthy process. We do not have really any impediments in our way really with getting records. It is just that it takes a while.

Mr. FARR. What happened to that catfish loansharking?

Ms. ELLIS. If I remember correctly, that one involved false statements, which is really what we find a lot of times in our investigations, that they doctor up information so that they can get loans or grants, et cetera. And so it is just a matter of somebody catching that and turning it over to us, and then for us to conduct the financial investigation so that we can prosecute them.

Mr. FARR. Is it typical to get loans of this size, $9.5 million? That is more than all of this other fraud that we are talking about here. That is big.

Ms. ELLIS. Yes. Rural business, I can say we do not have a lot of investigative work in that area, but when we do, and we do get them once every so many years, they are generally a large amount like this.

ANIMAL ABUSE

Mr. FARR. I have another question because I am glad you are cracking down on these things. This committee is, you know, very interested in humane treatment of animals, particularly in the whole arena where people are making a profit off of them, and we always believe and I think American society believes there ought to be a higher scale of animal husbandry than there would be for just owning your pet. Hopefully you do not abuse your pets.

But you have just worked with the Department of Justice and secured a conviction of individuals for abused horses, and I think this is the first conviction of its kind in the last 20 years. I am just curious. We get a lot of reports of animal abuses in circuses and so on. We turn them over to USDA. Are you beginning ongoing efforts to combat these animal abuse violations that are being reported?

Ms. ELLIS. Yes. I will mention, first of all, that we just recently, I believe it might have been yesterday, got another horse soring conviction with three individuals. So we now have two cases, which is good.

We have to really spread our resources amongst the entire department. So we need to be very selective in the cases that we do conduct, and when it comes to animal welfare, certainly it is an area we would love to dedicate more time to, but we have to be very careful on being selective in the case.

And where we look to is health and safety type issues. Will an animal cause some sort of damage or disease to others in the country? That is our first priority. When it comes to something like a “horse soring”, as you said, it is the first one or first two that we have had in a very long time. We will follow up on that and do an investigation because we do want to make a statement. We do want to get it out there in the press that we are going to look at it.

With regard to more cases of that nature coming, we will have to look at it very, very carefully because we do have to weigh the other requirements that we need to follow up on in the department.

Mr. FARR. So I guess that is the we will be doing more of this?

Ms. ELLIS. Let’s just say that, yes, but it is going to be very selective where we can make an impact.

Mr. FARR. That is all for this round.

Mr. KINGSTON. Mr. Nunnelee.

Mr. NUNNELEE. Thank you, Mr. Chairman.

Thank you all for being here. I want to commend you. You go after fraud wherever it occurs, even if it is in my backyard. If there are people who are defrauding the taxpayers of the United States of America, I commend you for going after them.

SNAP FRAUD

And I do know that you came in and did a review of ten states on food stamps. One of those was the State of Mississippi, and in that review your report says that you found over 1,000 participants that were using deceased individuals' names and social security numbers to collect benefits. My figures tell me of $123,000 a month, $1.4 million a year.

Is what you found in Mississippi representative of what is happening in the other States or are we an anomaly?

Mr. HARDEN. Mississippi is basically just like everybody else. What this work is showing is that the States are not using the tools that they have available to them to really check and make sure that the recipients that are receiving SNAP benefits are the ones that should be receiving them.

We are doing analysis not only of like the death master list, but because we have different State databases and Mississippi being one of them and Alabama and Louisiana, we can then match the data across State lines to see if people are getting benefits in more than one State.

We are also talking to the States about how they are using the management reports that they have with their EBT processors, those that process their SNAP benefits, because those provide fraud indicators that give them tools as to things that they would want to follow up on. One of those has to do with, you know, how many cards get replaced in a household, things of that nature.

So we are talking about all of those types of issues with the States that we are in right now, and we are also doing additional work with FNS to see if there are additional tools or better ways to use the tools they have available to do that, to really get at the end of this process, is there an understanding of what recipient fraud, a number, could be that FNS would say it is and you can have some tests to see if that is a credible number or not. Plus they have the retailer trafficking, one percent fraud rate number that is put out there. We are looking at the methodology they use to come up with that number to see if we would agree that that is what that number should be.

Mr. NUNNELEE. I know that technology, particularly computer databases, are allowing us to investigate fraud like this in a way we have never been able to do it before. Do you have all the necessary tools you need to do these types of investigations?

Mr. HARDEN. I would say, yes, we do, and as other things become available, we explore whether we need to look into other off-the-shelf software that we might could use to do that. But we have had success with what we have had thus far, and being able to use the tools we have as well as what is available to FNS.

Mr. NUNNELEE. All right. The fraud that we have talked about to this point has been collecting benefits on a deceased beneficiary. I do not have any data. I just know what I hear and see. There are people that are beneficiaries of food stamps that are out working for cash, and it does not show up on anybody's ledger sheet, but it occurs on a regular basis. How do you deal with that?

Mr. HARDEN. If we were doing work at the state level where they are looking into how they determine how much benefits a person should get, we would look and see how they verified that person's income. If it was cash income, we would have to see how that was reported or if it was not reported.

Mr. NUNNELEE. It is not reported.

Mr. HARDEN. And as you do questions, if there are indicators that there are other cash income, you would go and follow up on those questions to see if you could validate so that you could bring it back to the State agency to say, you know, "You have not included all of their income."

Mr. NUNNELEE. And it is all done on a State-by-State basis?

Mr. HARDEN. The recipient part, yes. But just to clarify, the numbers that we have got are not all just off the death match. It is a combination of people who show up on the death master list from Social Security, as well as those that are providing invalid SSNs, some that are already on the disqualified recipient list and States were not looking to see that the person was already disqualified, as well as those that are doing it across State lines right now. Those are the main four or five areas.

Mr. NUNNELEE. Mr. Chairman, I will just wait and get back in the next round.

Mr. KINGSTON. Thank you.

GUARANTEED LOANS

Mr. Harden, on these 30,000 loans that were given incorrectly to ineligible people, do you have a list of the banks that did that or the lending institutions?

Mr. HARDEN. Yes.

Mr. KINGSTON. You do apparently. Now, is that list available the same way that the SNAP vendor list is available to somebody like Scripps if they were going to do a news story on it?

Mr. HARDEN. That I would have to go back and find out. I am not sure right off the top of my head.

[The information follows:]

23 lenders obligated the 33 ineligible Recovery Act SFH guaranteed loans that we reported. 20 of the 23 lenders are nationwide lenders. Three of the 23 lenders are local lenders. RHS has not made the OIG list of the 23 lenders available to the public, nor have they publically released the names of any lenders they remove from the program.

Mr. KINGSTON. Well, on the Scripps story, as you know, they got the list that USDA had of banned stores, and then they checked it with the ones that were still selling and found the number that they did, and so I wonder if that information is out there publicly for Scripps or another third party to take a look at it.

Mr. HARDEN. I would have to go back and ask Rural Housing if they have such a list and is it made public.

Mr. KINGSTON. I think if you could, it would be very helpful.

What I do not understand is what is the controversy here. Why do they do this? Again getting back to Groundhog Day, we hear this all the time. Well, why was it done to begin with?

Mr. HARDEN. In terms of the lenders?

Mr. KINGSTON. Yes.

Mr. HARDEN. And the recipients who were not eligible for it?

Mr. KINGSTON. Yes. Why is it so obvious to you guys and apparently there is a gray area to the lenders? I am going to assume that they were all acting above the board and honestly and it was an innocent mistake.

Mr. HARDEN. Yes. I think a lot of it deals with how the program has changed over time. As we did the reviews for Recovery, the first thing we did a couple of years ago is we went to each agency and said, "Are you using your standard procedures to operate this program that you got Recovery money for?"

For this particular one, like everything else, they said, "Yes, we are using our standard procedures. We are not doing anything new."

So we went out and evaluated against what the procedures are, what the regulations are on the books. What we found out was there have been changes in the industry, and the regulations were last changed and updated in 1995. So what they are doing is not what the regulations say they would want to do, and a lot of the big changes or one of the fundamental things to me was as part of the program USDA typically or historically has not been the person sitting at the table with all the other options. We are the lender of last resort, if you will.

Well, USDA's offer was put there on the table consistent with everybody else, and USDA's offer is the best one. You get, you know, 100 percent or more of your house financed. So if you are the borrower wanting to do this, which one are you going to pick?

You are going to pick that one. I do not blame you for doing that, but really the lender should have said, you know, "I would put my neck out and accept the risk because this person is somebody that I would normally make a loan to," as opposed to putting the risk on USDA.

Mr. KINGSTON. Now, Rural Development does not agree with your methodology. Do you know why or what their position is?

Mr. HARDEN. It was not that they disagreed with our methodology. It was the first statistical sample we had done of a program of this nature in a while, and so when we came out and had a projection that went off a sample of 100 that we were able to talk about a $4 billion questionable amount, that gave them some heartburn. So we have since reconciled, you know, that they understand how we did our work.

We have had our statistical methodology reviewed by NASS, other people at the department, and it really says that we have applied it just fine. And so we have crossed that bridge, but as we are using more statistical sampling, it is something that we have got to educate the department as to how that works.

Mr. KINGSTON. In your investigation, did you find out how many of these loans went bad?

Mr. HARDEN. That is part of what we are doing with loss claims right now. At that point they had not gone bad. They looked like they were risky, as what we are doing with loss claims, which will be out later this spring or maybe early summer. We are able to look and see, okay, the people that had eligibility issues up front seem to be the ones that have gone under. But that is work that we are in process of verifying and validating that conclusion right now.

Mr. KINGSTON. I think as soon as we get this information it would be very helpful to us.

Mr. HARDEN. We are working on it as fast as we can.

Mr. KINGSTON. If you could let us know, that would be helpful. I will have some more questions in a minute, but let me yield to Mr. Farr.

Mr. FARR. I would like to kind of get a sense of perspective here. From what Mr. Nunnelee pointed out in the Mississippi SNAP Program, and I think I have the data here, that the total number of payments that were fraudulent were about $575,000 in 2012, and that is payments for deceased persons or under a deceased person's Social Security number or where they received duplicate payments or payments from nearby States.

OIG BUDGET

You have a lot of your state, and you indicated 46 percent of it is going after auditing the SNAP portion, and your department, as I understand, has been cut more than any other GAO department in the Federal Government. You are now the biggest cut and now the least percentage of your total budget of any of them. Where eight departments got increases, many of them not even touched for increase or decrease, but eight also got decreases. Of the eight decreases, you are twice that of the next, which is like DOT or DOE, Department of Transportation. Well, I take it back. EPA got the largest cut.

So you have limited resources, limited manpower to go out and do these audits. We are going after poor people or stores feeding poor people, and I think that is right, and particularly vendors who are ripping you off.

But let's put it into some perspective because just in that catfish case alone of $9.5 million, it would take 19 years of the audits you found in Mississippi to catch up with that one case. Shouldn't we be putting a little more of our resources into where the big stuff is, where the big bucks are?

Ms. FONG. Let me just offer a few comments on your observations. You are absolutely right that we are spending a lot of our investigative resources on SNAP, and when I say that, as you know, we have two main functions. One is to do investigations of criminal allegations, allegations of criminal misconduct which Karen is responsible for, and so half of her staff is doing that, and the focus on that is on trafficking primarily, and it focuses on retailers who are involved in trafficking. So we are really looking at the stores who are doing the bad deeds.

On the other side of the house, which is what Mr. Harden does, the audit side of the house, we are spending I would say about ten to 12 percent of our resources on SNAP. We have a lot of other mandatory work, as you probably know. We have financial statement audits. We have IT security audits. We have Recovery Act audits, and of course, the Pigford audit, which is on our plate. And so we have to spread our audit resources across the whole portfolio of USDA to do animal work, food safety, and everything else.

We are doing our best to focus on high dollar issues, crop insurance, RD, and the housing programs that we are talking about. And as you point out, we are doing our share in terms of resource reductions and streamlining.

Mr. FARR. You have done more than your share.

Ms. FONG. We are happy to be part of USDA.

Mr. FARR. Well, I guess this is going to be an ongoing debate in this committee. Obviously we support what you are doing. It just seems to me that we tend over and over again attack the poverty system. I mean, that is the biggest part of USDA, is feeding hungry people, and we ought to knock it down, but, my God, if there is other big fraud going on, we ought to not allow that. It is sort of like the white collar gets away with it and then the blue collar gets busted.

Let's bring it back into perspective. That is all, Mr. Chairman.

Mr. KINGSTON. If the gentleman will yield, I want to get back to what I said originally. We need to measure all of these things with the same ruler, not an elastic ruler depending on our pet programs. Conservation reserve is a program that is enormously popular in the Southeast of the United States, but I think it is oversubscribed. I think a lot of that land is non-erodible.

The loan programs, if you have got 30,000 loans that were given, $4 billion, that is ridiculous. We have got to address that.

Trafficking on food stamps is $333 million? We have got to go after all of this stuff. I mean, this is just something that I think we can find a lot of common ground on, and so to me, you know, we should take a look at everything that we can. That is why I always enjoy your report, because it is nonpartisan and it is non-philosophical. It is, you know, are you following the rules or not.

Let me yield back.

Mr. FARR. Can I get back? Thank you for yielding back.

Mr. Chairman, I would be very interested, I think, on the conservation program. We ought to just have one hearing on that because I think there is a lot of State responsibility. You know, I come from local government in California. We zone land. You cannot farm on this land because of riparian issues or other things or because it is a habitat; it is an endangered species, and we do not allow the farmer just to go out there even though it is on private land and destroy it or not pay for it and then turn around and get conservation payments.

I think we ought to look at this whole thing as a State responsibility here, living up to these laws of the country that they ought to take, and frankly, you ought not to be able to get conservation money for something that you could not otherwise do.

Mr. KINGSTON. I agree with you.

Mr. FARR. And that is where I agree with you, too. I think we ought to look at this whole program, as we are others.

Mr. KINGSTON. Thank you.

Mr. Nunnelee.

Mr. NUNNELEE. Thank you.

ERROR RATES

We have talked with different groups from USDA over the last couple of days about what I refer to as the carrot and stick approach as it relates to error rate fraud. As I understand it, your job is just to go out and find the errors. It is somebody else's job to enforce the carrot or the stick.

But I am very much interested to hear your perspective on the effectiveness. What I have learned over the last couple of days is we have got a lot of carrots in the arsenal and very few sticks. I would be interested in your perception on what we could do to help the States more effectively deal with any of the error rates that we are dealing with.

Mr. HARDEN. Well, in terms of the SNAP stuff, I mean, that is stuff that is part and parcel as to what we will be finishing with FNS this summer. So we will definitely have some additional thoughts on that in terms of additional oversight that FNS may need to provide from a regional level to the States and making sure that they are doing what they need to do.

Some of it over the last couple of years has gotten back to, and I know we are all constrained for resources, but having the people there to do the oversight work. I mean, that is what we hear from the States as we talk to them, and at different levels and in a variety of programs.

Mr. NUNNELEE. But in general is my perception accurate? The States can earn bonuses for doing what they are supposed to be doing, but there are very little sanctions if your error rate is not what you are supposed to be doing.

Mr. HARDEN. In the Food Stamp Program, that is part of their quality control process. If you have got a real good or a real low error rate, you are eligible for bonus money. There is a restriction or a sanction on the other end, but it is not as big.

One of the things we found and we want to talk to FNS about whether it is a viable thing to do, as we have gone into the States and we are looking at recipient fraud or recipient eligibility, we look and see how many staff do you have to do the quality control work, and they have eight or ten.

You also have a requirement to have state fraud detection efforts, and you have maybe two or three people. And we asked them, "Why do you only have two or three people looking at recipient fraud when that is required and you have so many more doing QC?"

And the response that we have gotten from different states is, "Well, we are eligible for bonus money. So we want to spend more time doing that so that we might be able to get the additional funds."

Mr. NUNNELEE. Well, in general, I am reminded I never had to pick cotton by hand for a living. As a little boy I think my dad did take me out just so I would have that experience once or twice and know what he was talking about, but I grew up hearing him tell the story. My dad as a child did have to pick cotton by hand for a living, and he always said the first day of cotton picking season they would get out of school, and my grandfather—my dad had six or seven brothers or sisters—and my grandfather, anybody that weighed in and picked more than their dad, he would give them a nickel at the end of the day, and so all the kids were out trying to earn their nickel. That was the first day.

The next morning they woke up and he said, “Okay. Now, you have showed me you can do it. Anybody that does not pick more than I pick today gets a whipping.” And so at some point we are going to run out of nickels. We have got to look for some other tools.

Thank you.

Mr. KINGSTON. I thought the gentleman was going to give us a lecture on child labor laws down in Mississippi. [Laughter.]

PROGRAM IMPROVEMENT

I guess the question I would have to you, Ms. Fong, in terms of the ways USDA can spend money, and I think it is important to note that of the top five high percentage waste programs, two of them are USDA, school breakfast and school lunch. They are in the top five of all waste numbers. According to GAO, we have Disaster Assistance at 28 percent, school breakfast at 25 percent, earned income tax credit, 23½ percent, school lunch at 16, and stay-at-home per diem grants at 13.7.

So maybe starting there, or maybe starting elsewhere across the board, what can we do to try to save money on these programs? And also, aside from fraud, if you have collateral observations that you were not necessarily looking for it but you saw it along the way and it is an inefficiency, I think we would be interested.

Ms. FONG. Well, we have given some thought to your question because it is a very good question about opportunities where the Department, the IG, Congress can work together to really find dollar savings and improve program operations. And we have come up with some thoughts to just share with you. Some of them we have already discussed today.

We certainly think a focus should be on the improper payments issue in the farm programs. Based on the audit that we did last year and the audit we are doing right now, we think that there are some significant improper payment issues there. The SURE program was cited.

In terms of suspension and debarment, that is an issue that we feel very strongly about. We issued a report a year or two ago that recommended that USDA fully implement an effective suspension and debarment program. As you know, what that would do is that if you are a program participant and you have been convicted of criminal conduct, or if you have been found to have engaged in program violations, under suspension and debarment you would be debarred from participating in any Federal program, not to mention USDA programs.

This is something that we feel really needs to be done. Now, we may not be able to put a dollar figure on what that would mean, but it would take a lot of bad actors out.

We have been looking at the loan programs, as you have discussed, in the rural housing arena, business and industry loans. There probably needs to be a focus, and we have made these recommendations, that programs should step up their efforts to apply their eligibility criteria consistently. Failure to do that could result in defaults on loans, and at that point, USDA would have to pick up the tab for that.

Duplication in programs is an issue that GAO has identified. I know it is an issue that your committee has been talking about. One of the things that we are starting work on on the audit side is to look within the nutrition arena whether there is any potential overlap or duplication that could be looked at. So that is something that we would want to talk about in the next few months.

In terms of the WIC program, we understand that the delivery system on WIC is moving towards an electronic system, similar to SNAP, an EBT system. And we have questions in our own mind that we need to pursue as to whether there are adequate ways to monitor electronic transaction data, similar to what is going on with the SNAP program. There is an excellent system for tracking transactions in SNAP. Is there a similar kind of system in WIC that would allow us to analyze data on that? So that is an area for us to focus on.

We talked about the school lunch program. Do we have good data on improper payment rates? That is something that we certainly want to take a look at.

In terms of the SNAP program, we have talked about a lot of issues here today, asking the States to use the tools they have to do matches on eligibility, looking at recipient fraud. How can we work—FNS and OIG—work with the States to address recipient fraud?

Whenever there is trafficking, it takes two to traffick. You have got a retailer and then you have got a recipient. And are the States doing what they need to do to address recipient fraud—multiple SNAP cards, what can be tightened up on that front, et cetera.

You have mentioned NRCS. Conservation easements, that is a program that we have done some work on. We found potential overpayments of $7 million in one State. Certainly, it raises a question: Are there potential overpayments in other States?

You have also mentioned crop insurance. We talked about the two audits we did in the citrus industry in Florida, where we found about $40 million of improper payments. We have recommended that RMA go after those dollars. We certainly would want to keep an eye on how they resolve those recommendations.

And I guess I should end with a pitch, that an investment in OIG would be, in our view, another wise way to spend Federal dollars because if you can support our budget request, we would be able to do more work in improper payments. We could do more work working with the State and local governments on SNAP fraud. We could get into some of these other areas and do more sampling.

Mr. KINGSTON. You know, we had a Georgia law—we have I–95 that goes through my District in Coastal Georgia. And the State legislature passed a seizure law, and I think there was a Federal law as well, that said if the local sheriff pulls over a car with cocaine in it, that they are going to get a piece of it, and they got to keep the car and sell it. And we had one county that did particularly well in it.

Is something like that of interest to you? You crack down on the fraud, you grow your budget with the money you save?

Ms. FONG. That is very intriguing. I think we should talk with you and your staff about that.

Mr. KINGSTON. You know what one of my concerns is? A couple of years ago you came to us and you had found a number of USDA employees who had credit cards and had used them for personal purposes beyond the scope of what it was. Do you remember that?

Ms. FONG. Yes.

Mr. KINGSTON. And I think at the time I asked how many people were fired, and none were, which does not send a very strong signal to anyone. And I know that was not your decision, but I think sometimes when people have a real piece of the action, it changes attitudes in terms of rewards and punishment.

Mr. Farr.

Mr. FARR. I have no other questions.

Mr. KINGSTON. Well, I do not know that I have any, either. But what we would like to do is follow up with you in some detail and find out some of these things that we can follow up on, and try to move in a direction that is in everybody's interest.

Again, you are looking at these programs really closely. And so some things you find aren't necessarily fraud, but they might be silly procedures or silly regulations that are cumbersome to the recipient, cumbersome to the State, or to the bureaucracy. And I think, just because of your vantage point, that is useful information to this committee. And so any recommendations you have along that line would be good.

With that, Mr. Farr, we are through until—when is our next committee meeting? Tomorrow. See you again.

Mr. FARR. Hasta mañana.

Mr. KINGSTON. We stand adjourned.

Chairman Jack Kingston
Questions for the Record
USDA OIG Fiscal Year 2013 Budget Request
February 29, 2012

OIG PRIORITIES, CONCERNS AND RECOMMENDATIONS

1. Mr. Kingston: What are USDA's top management and programmatic challenges?

   Response: OIG has identified several top management programmatic challenges which are reported each year to the Secretary. This information is also reflected in USDA's annual Performance and Accountability Report.[1] OIG's August 2011 report identified the nine top management challenges facing USDA. Of those listed, OIG considers the following to be the most significant:

   - Improving interagency communication, coordination, and program integration;
   - Strengthening efforts to identify, report, and reduce improper payments;
   - Improving controls for food safety inspection systems;
   - Implementing strong, integrated, internal control systems; and
   - Implementing a secure information technology environment.

2. Mr. Kingston: What USDA programs, functions or agencies are of most concern to you? Why?

   Response: As an agency whose mission is to identify and eliminate fraud, waste, and mismanagement, any USDA program with identified vulnerabilities is of significant concern to OIG. As referenced in past semiannual reports to Congress and annual reports of management challenges facing USDA, OIG's primary concerns are food safety and security, information security, identified vulnerabilities, and improper payments in agency programs. For example, USDA's limited use of suspension and debarment actions is a concern for OIG. As more emphasis and focus is placed on reducing improper payments and better management of agency disbursements, OIG believes USDA needs to strengthen its suspension and debarment program. OIG identified that some USDA agencies are not suspending and debarring program participants when warranted. We believe that robust suspension and debarment processes and actions are key to improving management of agency disbursements and reducing improper payments by removing bad participants identified as abusing Federal programs.

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[1] The most current version of these reports may be viewed on USDA's Web site at http://www.ocfo.usda.gov/usdarpt/usdarpt.htm (Performance and Accountability Report, FY 2010) and http://www.usda.gov/oig/webdocs/MgmtChallenges2011.pdf (USDA Management Challenges, dated August 2011).

USDA SUSPENSION AND DEBARMENT PRACTICES

The Agriculture Appropriations Subcommittee has been interested in USDA's suspension and debarment practices. OIG has reported on this topic in the past, most recently with the August 2010 report titled *Effectiveness and Enforcement of Debarment and Suspension Regulations in USDA* (50601-0014-At). OIG reports that USDA agencies are not suspending and debarring program participants when warranted.

3. Mr. Kingston: Please discuss the report, including OIG's concerns and the actions of USDA's agencies on this matter. Please provide any recommendations regarding this issue.

   Response: Basically the findings and recommendations in our August 2010 audit centered around three primary areas that USDA needed to address: (1) remove or justify its program exclusions from nonprocurement suspension and debarment, (2) centralize the organization of the suspension and debarment program, and (3) more effectively implement suspension and debarment for its procurement programs.

   USDA has agreed to study the programs that it has excluded from suspension and debarment. We are continuing to work with USDA to resolve the issue of the excluded USDA programs from suspension and debarment, particularly in Food and Nutrition Service (FNS) and Farm Service Agency (FSA) programs. USDA has also established a suspension and debarment council and agreed to strengthen its training activities.

SNAP FRAUD DETECTION

OIG has evaluated FNS's monitoring of the controls states have in place to mitigate fraud in SNAP. FNS performed reviews to evaluate how states managed SNAP, but OIG identified deficiencies in how the agency and states were collecting and analyzing information to detect fraud.

4. Mr. Kingston: Please provide additional information about these audits and your recommendations to combat fraud in SNAP.

   Response: OIG issued a report on State Fraud Detection Efforts for the Supplemental Nutrition Assistance Program (SNAP) [27703-2-Hy] in January 2012. This audit assessed the effectiveness of the State SNAP fraud detection efforts. We found two issues relating to the States' fraud detection efforts. First, FNS did not require the States to use the management reports provided by their EBT processor; thus, neither State we visited (New Jersey and Florida) was using these reports to identify potentially fraudulent activities by SNAP recipients for investigation or other followup. In the course of our audit we used these reports and identified 2,634 questionable transactions totaling over $181,700 for one month. Second, FNS did not establish an effective review process to periodically assess the States' fraud detection efforts. Instead, FNS relied upon the information collected by the States and reported in FNS' annual State Activity Report, which we found to be of questionable accuracy.

By addressing these concerns, FNS will improve the control environment for assessing the States' fraud detection efforts and for targeting recipients who are fraudulently using their SNAP benefits. FNS generally agreed with our findings and recommendations, but stated that the problems we found were not necessarily applicable nationwide. OIG notes, however, that past audits -- such as our EBT audits in the States of New York in 2001 and in Colorado in 2008 -- have noted similar issues regarding the effectiveness of States' SNAP fraud detection. We believe that these problems are not isolated events.

In addition, as we summarized in our testimony, OIG is also working to minimize fraud, waste, and abuse within SNAP by performing a series of data mining audits analyzing 10 States' participant databases.[2] We have completed work in five States—Alabama, Florida, Kansas, Louisiana, and Mississippi—and found a total of 8,594 recipients who were receiving potential improper payments. We estimate that these recipients could be receiving a total of about $1.1 million a month. The following table summarizes the type of errors we have found.

State	Death Match	Interstate Duplicates	Intrastate Duplicates	Invalid SSNs	eDRS		State Total
Alabama	487	669	50	295	138		1,639
Florida	807	883	4	835	160		2,689
Kansas	71	90	2	720	N/A	*	883
Louisiana	723	1,573	14	27	37	**	2,374
Mississippi	322	621	0	44	22		1,009
Total	**2,410**	**3,836**	**70**	**1,921**	**357**		**8,594**

* Not tested.

** Out of the 37 individuals found on the Electronic Disqualified Recipient System match, Louisiana experienced difficulty obtaining secondary verification, which delayed their response; therefore, we did not include the 37 individuals in their final report. These totals will be included in our report summarizing SNAP's fraud prevention and detection efforts.

In our reports, we have recommended that FNS require State agencies to ensure they use a national database to perform death matches and social security number verifications, and that they perform checks to make sure information is entered correctly. Generally, FNS has agreed with our recommendations and is taking corrective action.

5. Mr. Kingston: Please provide a table that shows how much of your budget is spent on monitoring SNAP to reflect fiscal years 2009 through 2012 and estimated for fiscal year 2013.

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[2] The 10 States are Alabama, Florida, Kansas, Louisiana, Massachusetts, Mississippi, Missouri, New Jersey, New York, and Texas.

Response: The following tables reflect the cost of direct Audit and Investigative staff time spent on SNAP oversight during fiscal years 2009 through 2011. The estimate for fiscal years 2012 and 2013 is a projection based on work being performed on SNAP. For fiscal years 2009 through the first quarter of 2013, these amounts include OIG oversight activities pursuant to the American Recovery and Reinvestment Act of 2009.

SNAP AUDITS

Fiscal Year	% of Direct Audit Time Spent on SNAP Investigations	Cost *(in millions)*
FY 2009 (actual)	0.13%	$0.05
FY 2010 (actual)	5.89%	$2.5
FY 2011 (actual)	4.56%	$1.9
FY 2012 (estimated)	5.6%	$2.3
FY 2013 (estimated)	5.2%	$2.1

SNAP INVESTIGATIONS

Fiscal Year	% of Direct Investigations Time Spent on SNAP Investigations	Cost *(in millions)*
FY 2009 (actual)	26.68%	$10.2
FY 2010 (actual)	36.58%	$16.3
FY 2011 (actual)	45.99%	$20.7
FY 2012 (estimated)	50.00%	$21.8
FY 2013 (estimated)	52.00%	$23.6

6. Mr. Kingston: Please provide a table showing the number of SNAP related cases that were investigated, the number referred to the Department of Justice, and the number accepted by the Department of Justice, for fiscal years 2010 and 2011.

Response: The information requested follows:

U.S. Department of Agriculture – Office of Inspector General
SNAP Referrals – FY 2010 and 2011

	Cases Issued	Referred to DOJ	Accepted by DOJ
FY 2010	81	56	16
FY 2011	184	110	73
Total	265	166	89

7. Mr. Kingston: Please provide the committee with a description of your findings and recommendations in the review of state fraud detection units, FNS' response and what action FNS currently is taking to address this issue.

   Response: As referenced in our response to Question 4 about the SNAP State Fraud Detection audit, we reviewed EBT management reports from New Jersey and Florida which disclosed questionable transactions that indicate potential recipient misuse of SNAP benefits. From each State, we selected the reports denoted as "fraud" reports provided by the EBT processors in addition to other EBT management reports that OIG used in prior audits that resulted in identifying fraudulent activities. A description of the four recommendations and FNS' responses and actions planned are as follows:

State Fraud Detection Efforts for the Supplemental Nutrition Assistance Program (SNAP) [27703-2-Hy] issued January 2012	
Recommendation	**FNS Response/Action Being Taken**
No. 1. Provide guidance to States in identifying and assessing available EBT management reports to determine which could be useful to State fraud detection efforts.	FNS officials stated that the agency continues to emphasize to States in meetings and other forums the importance of working with their EBT processors to determine the best data available to help with fraud detection. Often it is not the pre-packaged canned reports, but other ad-hoc or specially developed reports that would be most helpful. States often have internal reports and data mining tools that are also extremely useful in fraud detection efforts. Most States now require data warehouses and use those for internal fraud analysis rather than paper reports. FNS encourages electronic fraud analysis methods and continues to work with the States to re-design their approach, based on 15 years of experience using the ALERT system, to develop more effective methods for client fraud detection. In discussions surrounding the EBT RFP procurement process, FNS encouraged the States to: Include contract language that allows the State to set parameters to focus on the more egregious problems and require the contractor to change parameters upon request at no cost; re-organize and re-sort the content to identify higher-value fraud cases as

State Fraud Detection Efforts for the Supplemental Nutrition Assistance Program (SNAP) [27703-2-Hy] issued January 2012	
Recommendation	**FNS Response/Action Being Taken**
	opposed to the current categorization method that typically relies on case number, FNS retailer number, date, or time; add new reports to address issues like high-volume card replacements; expand data warehouse functionality to allow analysis or reports to cover client activity over multiple months; and require standard and ad hoc data warehouse analysis tools for State fraud investigators. FNS officials also agreed to document this advice with a more formal communication to the States by March 31, 2012.
No. 2. Encourage States to utilize the EBT management reports in detecting fraudulent activities by SNAP recipients and in following up on SNAP transactions that appear to be questionable. FNS should also implement procedures requiring States to periodically review and analyze the effectiveness of the EBT management reports for detecting fraudulent activities.	FNS officials stated that they had issued a policy memo to the States, dated October 14, 2011, conveying the expectation that States would use FNS-provided data on retailer disqualifications to further investigate suspicious recipient EBT transactions, which are included with the information the States receive. Management Evaluation (ME) targets for FY 2012 include recipient integrity issues, particularly State fraud unit activities including use of EBT and other appropriate data to identify potential recipient fraud. In addition, FNS has developed an online document library on the FNS SNAP Partner Website for sharing policies and best practices related to recipient integrity with the State agencies.
No. 3. Perform reviews as needed to determine the extent to which FNS' assessment of States' fraud detection efforts is compromised by the absence of ME reviews of the effectiveness of State fraud detection efforts and by inaccurate information provided by the States on SAR reports. Take corrective actions as necessary.	FNS officials stated that ME targets for FY 2012, as communicated to the FNS regional offices in a memo dated August 18, 2011, included recipient integrity issues, particularly State fraud unit activities. Through the ME process, FNS will work with States to ensure appropriate corrective actions are in place when findings occur. FNS expects to complete these actions by September 30, 2012.
No. 4. Include as part of the ME review process an assessment of the States' fraud detection units.	Agency officials stated that an FNS work group, including national and regional office staff, is currently revising and updating a standardized ME review module focused on State fraud detection units. The work group expects to complete its work so that the regional offices can test and implement the module by March 31, 2012.

FARMER DISCRIMINATION COMPLAINTS

Last year, USDA and the Department of Justice (DOJ) announced the procedures for female, Hispanic, Native American, and African American farmers who say they faced discrimination in receiving farm loans from USDA to claim a portion of their respective settlement agreements.

8. Mr. Kingston: What role does OIG play in ensuring USDA appropriately reviews claims and provides awards to individual producers? Does OIG review individual claims?

   Response: With respect to *Pigford II,* involving claims filed by African American farmers, The Claims Resolution Act of 2010 requires USDA OIG to conduct a performance audit based on a statistical sample of adjudicated claims. Accordingly, our audit will review the processes used and determinations made by the claims administrator and adjudicators (and not USDA). We initiated this assignment in January 2012 and are currently developing the scope and approach for our work.

   There is no such statutory requirement for an audit similar to *Pigford II* with regard to the litigation involving Native American farmers, or with respect to the litigation involving female or Hispanic famers.

9. Mr. Kingston: What should USDA do to ensure legitimate complaints receive just compensation while fraud is minimized?

   Response: USDA entered into the Settlement Agreement, which was signed and approved by the Federal district court, with Class Counsel for the *Pigford II* claimants that established a non-judicial third-party claims process. Under the terms of the Settlement Agreement, USDA's participation in the claims process is quite limited. Class Counsel contracted with a neutral third party to adjudicate claims. USDA's participation in the claims process, as directed by the Settlement Agreement, will occur only if the *Pigford II* claimant seeks a Track A Loan Award and wishes to obtain debt forgiveness in addition to the monetary award. In these cases, the Claims Administrator shall request that FSA confirm whether the claimant has an outstanding Farm Loan Program loan(s) and provide the applicable loan(s) balance(s) and loan payoff amount(s). As stated above in response to Question 8, USDA OIG will be conducting a statutory mandated performance audit regarding *Pigford II.* If our audit identifies any areas where USDA should take action, we will report them to the appropriate action officials.

10. Mr. Kingston: Please provide any additional recommendations.

    Response: At this time, we do not have any recommendations to make to the Committee. Once we have finalized our plan and approach to conduct our review, we would be pleased to brief and discuss our audit with the Members of the Committee and their staff.

OIG AUDITS, INVESTIGATIONS AND GENERAL INFORMATION REQUESTS

11. Mr. Kingston: Please update the table from the fiscal year 2012 questions for the record (QFR) showing the financial statement audits OIG contracts for and those conducted in-house, as well as the cost of each audit for fiscal years 2009 through 2012.

Response: See table below.

Audited Agency	Method of Performance	FY 2009 Actual Cost	FY 2010 Actual Cost	FY 2011 Actual Cost	FY 2012 Estimate
Federal Crop Insurance Corporation	Contract	$395,450	$394,440	$416,235	$434,450
Commodity Credit Corporation	Contract	$1,792,026	$1,743,048	$1,872,158	$1,899,562
Forest Service	Contract	$4,693,609	$3,841,684	$3,085,377	$2,579,457
Food and Nutrition Service	In-House	$1,464,347	$1,000,722	$1,097,324	$1,133,800
Rural Development	In-House	$1,816,359	$2,148,758	$2,368,598	$2,477,180
Natural Resources Conservation Service	Contract	$2,067,191	$1,893,442	$2,291,408	$1,744,450
USDA Consolidated	In-House	$2,155,387	$1,962,294	$2,089,368	$2,183,825

Note: The costs in the table above include both OIG and contracting costs charged to the financial statement audit.

12. Mr. Kingston: Please update the table from the fiscal year 2012 QFRs showing the amount of funds expended for public accountants hired under contract for fiscal years 2009 through 2012.

Response: See table below.

Audited Agency	Method of Performance	FY 2009 Actual Cost	FY 2010 Actual Cost	FY 2011 Actual Cost	FY 2012 Estimate
Federal Crop Insurance Corporation**	Contract	$359,648	$370,138	$380,942	$390,000
Commodity Credit Corporation	Contract	$1,746,126	$1,701,148	$1,823,830	$1,855,112
Forest Service	Contract	$4,637,611	$3,803,974	$3,036,186	$2,535,007
Rural Development* **	In-House	$909,762	$864,461	$890,400	$253,080
Natural Resources Conservation Service**	Contract	$2,018,537	$1,868,302	$2,248,258	$1,700,000
OIG Financial Information System	**Method of Performance**	**FY 2009 Actual Cost**	**FY 2010 Actual Cost**	**FY 2011 Actual Cost**	**FY 2012 Estimate**
Financial Management Modernization Initiative	Contract	$99,982	N/A	N/A	N/A

* Credit Reform section of audit is contracted.

** New contracts will be issued in 2012.

13. Mr. Kingston: What was OIG's cost of performing audits of Commodity Credit Corporation (CCC) financial statements in fiscal year 2011? What was the reimbursement from CCC?

    Response: CCC's financial statements audit is contracted out. However, OIG monitors the audit in accordance with GAO/PCIE Financial Audit Manual Section 650 to ensure that the audit is performed by an audit firm that is independent, objective, possesses the required qualifications, and performs the audit in accordance with generally accepted auditing standards in the United States. OIG's cost of performing the monitoring for FY 2011 was $50,792. OIG did not receive reimbursement from CCC for this service. CCC paid the contractor cost of $1,823,830 for FY 2011.

14. Mr. Kingston: Please provide a list of all USDA financial statements OIG audits along with the opinions you provided on those financial statements. Include a brief description of each audit opinion and the reasons these opinions were rendered.

    Response: There are seven financial statement audits performed on USDA and its agencies. They include: (1) the USDA Consolidated, (2) Rural Development (RD), (3) Commodity Credit Corporation (CCC), (4) Forest Service (FS), (5) Food and Nutrition Service (FNS), (6) Risk Management Agency (RMA)/Federal Crop Insurance Corporation (FCIC), and (7) Natural Resources Conservation Service (NRCS).

    With the exception of NRCS, all financial statement audit reports disclosed that the financial statements were presented fairly and conformed to generally accepted accounting principles resulting in unqualified opinions for FY 2011 and FY 2010. The NRCS financial statement audit for FY 2011 and FY 2010 resulted in a disclaimer of opinion; however, the errors were determined not to be material to the USDA consolidated financial statements, taken as a whole.

    The NRCS disclaimer of opinion was the result of NRCS management's inability to provide sufficient evidential matter in support of transactions and account balances, as presented in the NRCS consolidated financial statements as of and for the year ended September 30, 2011. In addition, the independent public accountant, KPMG, identified seven deficiencies. Specifically, KPMG identified weaknesses in NRCS': accounting and controls over undelivered orders; accounting and controls over accrued expenses; controls over financial reporting; accounting and controls for property, plant, and equipment; general and application access controls; accounting and controls over revenue and unfilled customer orders; and controls over purchase and fleet card transactions. The first five deficiencies are considered to be material weaknesses and the last two to be significant deficiencies.

15. Mr. Kingston: Please provide a status report on all current findings of material weakness since 2008. Specifically, please list the finding, OIG's recommendation and the current status.

Response: See table below.

FY 2008 through FY 2011 Material Weaknesses Findings and Recommendations	**Current Status (Reached Management Decision)**
FY 2008 Consolidated Financial Statements Audit, Assignment No. 50401-65-FM	
Finding 1: Improvements are needed in overall financial management. **Recommendation:** Provide additional oversight to ensure that general ledgers reflect valid obligations and that agencies perform the required reviews timely and effectively.	Yes
Finding 2: Improvements are needed in Information Technology, Security and Controls. **Recommendation:** The Department and its agencies are in the process of addressing the weaknesses; therefore, no recommendations were made in the report.	N/A
FY 2009 Consolidated Financial Statements Audit, Assignment No. 50401-67-FM	
Finding 1: Improvements are needed in overall financial management. **Recommendation:** Provide additional oversight to ensure agencies (1) properly monitor and review obligation balances, (2) provide valid certifications based on complete and accurate reviews as required by DR 2230-001, and (3) understand the importance of responding to requests for bills or additional information in a timely manner.	Yes
Finding 2: Improvements are needed in Information Technology, Security and Controls. **Recommendation:** Create a plan of action and milestones to correct deficiencies in both System Security Plans and Contingency and Disaster Recovery Plans, (2) revise CSAM and/or system documentation to reflect consistent and accurate information, and (3) institute policy and procedures to ensure review and signature of all parties bound by Interconnection Security Agreements.	Yes
FY 2010 Consolidated Financial Statements Audit, Assignment No. 50401-70-FM	
Finding 1: Improvements are needed in overall financial management. **Recommendation:** Provide additional oversight to ensure that agencies are properly reviewing, researching, and timely implementing action to correct abnormal balance.	Yes
Finding 2: Improvements are needed in Information Technology, Security and Controls **Recommendation:** Because of actions planned by the Department and recommendations made in other audits, no recommendation was made.	N/A
FY 2011 Consolidated Financial Statements Audit, Assignment No. 50401-01-11	
Finding 1: Improvements are needed in overall financial management. **Recommendation:** (1) Provide additional oversight of the accounting functions at FAS to ensure that the objectives of the internal control over financial reporting are maintained, and (2) provide additional oversight and training to ensure agencies are following Departmental policy in identifying and reconciling intradepartmental transactions.	Yes
Finding 2: Improvements are needed in Information Technology Security and Controls. **Recommendation:** Because of recommendations made in our annual FISMA audits, we are making no further recommendations.	N/A
FY 2008 CCC Financial Statements Audit, Assignment No. 06401-23-FM	
Finding 1: Improvements needed in Financial System Functionality and Fund Control. **Recommendation:** CCC is addressing the weakness; therefore, no recommendations were made in the report.	N/A
Finding 2: Improvements needed in management's review procedures over its cash flow models. **Recommendation:** The Office of Budget and Finance (OBF) should perform a more thorough and in-depth review of the models prior to submitting them for auditor review. In addition, OBF should begin making any necessary revisions to the model earlier in the fiscal year.	Yes
Finding 3: Improvements needed in management's analysis of obligations and liabilities for the Direct and Countercyclical Payment Programs.	Yes

FY 2008 through FY 2011 Material Weaknesses Findings and Recommendations	Current Status (Reached Management Decision)
Recommendation: The formalized policies and procedures specific to the Countercyclical Payment and Direct Payment Programs specifically describe: (i) a process to perform a reasonableness analysis on the prior program year accruals and obligations carried forward to the current period; (ii) actions that should be taken based on this analysis; and (iii) procedures that should be followed to update the recorded amounts based on information that comes to management's attention subsequent to fiscal year end that is relevant to current year recorded amounts.	
FY 2009 CCC Financial Statements Audit, Assignment No. 06401-24-FM	
Finding 1: Improvements are needed in financial management system's functionality. **Recommendation:** Because of actions planned by the Department and recommendations made in other audits, no recommendation was made.	N/A
FY 2010 CCC Financial Statements Audit, Assignment No. 06401-25-FM	
Finding 1: Improvements are needed in financial management system's functionality. **Recommendation:** Because of actions planned by the Department and recommendations made in other audits, no recommendation was made.	N/A
FY 2011 CCC Financial Statements Audit, Assignment No. 06401-01-11	
Finding 1: Improvements are needed in financial management system's functionality. **Recommendation:** Because of actions planned by the Department and recommendations made in other audits, no recommendation was made.	N/A
FY 2009 RD Financial Statements Audit, Assignment No. 85401-17-FM	
Finding 1: Improvements needed in controls over cash flow assumptions. **Recommendation:** Design and implement controls over the development, validation, and approval of assumption curves used in the cash flow models.	Yes
FY 2008 NRCS Financial Statements Audit, Assignment No. 10401-02-FM	
Finding 1: Improved accounting and controls needed over undelivered orders. **Recommendation:** Ensure undelivered orders balances are valid at period end.	Yes
Finding 2: Improved accounting and controls needed for unfilled customer orders. **Recommendation:** Ensure unfilled customer orders are complete and valid at period end.	Yes
Finding 3: Improved accounting and controls needed for accrued expenses. **Recommendation:** Develop and provide guidance and training regarding policy and procedures over preparing, reviewing, and recording accruals.	Yes
Finding 4: Improved accounting and controls needed for property, plant, and equipment. **Recommendation:** Ensure capital leases are identified and accounted for as required.	Yes
Finding 5: Improved controls are needed over financial reporting. **Recommendation:** Ensure employees preparing the financial statements have the appropriate training and that financial statements are reviewed and approved by management to ensure compliance with generally accepted accounting principles.	Yes
FY 2009 NRCS Financial Statements Audit, Assignment No. 10401-03-FM	
Finding 1: Improved accounting and controls needed over undelivered orders. **Recommendation:** Continue to train budget and program personnel to review open obligation balances and monitor compliance.	Yes
Finding 2: Improved accounting and controls needed over the revenue and unfilled customer order process. **Recommendation:** Develop and implement policies and procedures for reimbursable agreements, accounts receivable, and unfilled customer orders.	Yes
Finding 3: Improved accounting and controls needed over accrued expenses. **Recommendation:** Provide additional training to field personnel regarding the policy and procedures for recording accruals.	Yes
Finding 4: Improved controls needed over financial reporting. **Recommendation:** Obtain and use USSGL posting models for conservation easements,	Yes

FY 2008 through FY 2011 Material Weaknesses Findings and Recommendations	**Current Status (Reached Management Decision)**
travel advances to others, cumulative results of operations for non-appropriated funds, recoveries of prior year obligations, and accounts receivable with the public.	
Finding 5: Improved accounting and controls needed for property, plant, and equipment. **Recommendation:** Establish a policy that outlines the proper procedures for identifying and tracking the appropriate costs related to the development of new applications through the various stages of the development process.	Yes
FY 2010 NRCS Financial Statements Audit, Assignment No. 10401-03-FM	
Finding 1: Improved accounting and controls needed over undelivered orders. **Recommendation:** Review the current policies and ensure they are compliant with Title 31 U.S. Code and GAO's Redbook, The Principles of Federal Appropriations Law.	Yes
Finding 2: Improved accounting and controls needed over the revenue and unfilled customer order process. **Recommendation:** Develop a systematic methodology for calculating the allowance for uncollectible accounts which considers historical data, estimates losses on an individual and aggregate account basis, and considers other risk factors that may have an impact on NRCS' ability to collect amounts due.	Yes
Finding 3: Improved accounting and controls needed over accrued expenses. **Recommendation:** Perform quality assurance procedures to determine if accrued expenses are complete, accurate, and exist at quarter and year end.	Yes
Finding 4: Improved controls needed over financial reporting. **Recommendation:** Establish a more robust internal control identification and evaluation process to identify all significant control deficiencies.	Yes
Finding 5: Improved accounting and controls needed for property, plant, and equipment. **Recommendation:** Reinforce segregation of duties responsibilities for inventory taking, reminding Accountable Property Officers that the inventory taker should not also have the authority to purchase property, plant, and equipment.	No
Finding 6: Improved general and application access controls needed. **Recommendation:** Establish a process to actively review and document its review of application, active directory, and VPN access to determine whether it is appropriate based on the employee's role.	Yes
Finding 7: Improved controls needed over purchase and fleet card transactions. **Recommendation:** NRCS management immediately reviews all cardholders to determine whether they are current NRCS employees and should have access to a purchase card.	Yes
FY 2011 NRCS Financial Statements Audit, Assignment No. 10401-01-11	
Finding 1: Improved accounting and controls needed over undelivered orders. **Recommendation:** NRCS needs to (1) provide additional training to field personnel related to the identification and recording of advances and disbursements, and (2) provide guidance and policy to field personnel relating to the monitoring and validation of the obligation's period of performance prior to payment.	In the process of reaching management decision.
Finding 2: Improved accounting and controls needed over accrued expenses. **Recommendation:** NRCS needs to (1) perform quality assurance procedures to determine if accrued expenses are complete, accurate, and exist at quarter and year end, (2) reduce the number of standard vouchers and year end accruals required by configuring systems to record accruals when goods/services are receipted in the application, where there is a cost benefit; (3) enhance monitoring internal controls over obligations and payment approvals to determine whether appropriate documentation is provided to support the obligation and disbursement; (4) utilize transaction codes in FFIS to record accruals that do not reverse for direct entry obligations; and (5) provide guidance on the Prompt Payment Act related to the entry of acceptance dates and determine if additional interest is due to vendors or whether the vendor was overpaid as a result of any errors.	In the process of reaching management decision.

FY 2008 through FY 2011 Material Weaknesses Findings and Recommendations	Current Status (Reached Management Decision)
Finding 3: Improved controls are needed over financial reporting. **Recommendation:** Enforce NRCS' Circular 21 to ensure condition assessment policies and procedures are compliant with SFFAS No. 29.	In the process of reaching management decision.
Finding 4: Improved accounting and controls needed for property, plant, and equipment. **Recommendation:** Develop in coordination with the Department Chief Information Officer a reconciliation process for State offices to utilize to reconcile between the International Technology Services (ITS) property report and State inventory reports.	In the process of reaching management decision.
Finding 5: Improved general and application access controls are needed. **Recommendation:** Establish controls to monitor the control environment at ITS and mitigate the identified weaknesses.	In the process of reaching management decision.

NOTE: N/A – Not applicable. The finding did not contain a recommendation for agency action.

16. Mr. Kingston: Please update the table from the fiscal year 2012 QFRs showing the amount spent for confidential operational activities for fiscal years 2009 through 2012.

    Response: The information requested follows:

Fiscal Year	Available	Spent
2009	$125,000	$ 77,654
2010	$125,000	$ 88,451
2011	$125,000	$ 92,835
2012	$125,000	$ 125,000[3]

    Confidential funds are utilized to assist USDA OIG in undercover investigations. These funds represent payments made to individuals or informants who provide information that assists the agency in carrying out its duties. The funds are used to purchase evidence necessary in the prosecution of criminal investigations.

17. Mr. Kingston: Please provide a summary of complaints from the OIG Hotline for fiscal year 2011.

    Response: The information requested follows:

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[3] Estimated use through the end of the fiscal year based on current investigative activity.

HOTLINE COMPLAINT SUMMARY FY 2011

During FY 2011, USDA received 3043 complaints over the Hotline:

From the public	3010
From USDA employees	184
From duplicate sources	-151*
TOTAL	**3043**

How the Hotline was contacted:

Telephone	1724
Mail	368
Walk-in	2
E-Mail	893
Fax	56

Type of Allegation:

Program participation fraud	1900
Employee misconduct	349
Waste/mismanagement	466
Health/safety	72
Opinion/information	247
Bribery	3
Reprisal	6

Disposition of the contacts:

USDA agencies for response	1168
Food stamp recipient fraud complaints tracked by FNS	984
USDA agencies for information	525
OIG Audit/Investigations	236
Other law enforcement agencies	17
Insufficient information	93
Complainant referred to State agency	20

During FY 2011, 1009 Hotline complaint files were closed:

Substantiated	148
Unsubstantiated	630
Partially substantiated	157
Referred to other law enforcement agencies	23
Other (declined)	51

*151 Hotline contacts were from duplicate sources and did not require processing as a separate file.

18. Mr. Kingston: Please provide a table showing the number of audit reports, investigative reports, indictments, convictions, and lawsuits filed for fiscal year 2011.

    Response: The information requested follows:

Audit Reports Issued	45
Investigative Reports Issued	359
Indictments	562
Convictions*	449
Arrests	1,347
Suits Filed	8

    * The period of time to obtain court action on an indictment varies widely; therefore, the 449 convictions do not necessarily correlate to the 562 indictments.

19. Mr. Kingston: How were the indictments resolved, and what percent led to convictions? Please report for the latest data available.

    Response: It should be noted that indictments may be obtained in one fiscal year, but any resulting convictions are frequently not obtained until several months to a year afterwards, if not longer due to the duration of ongoing prosecutorial and judicial processes. Therefore, it is not possible to provide representative data on the final resolution of the indictments obtained in FY 2011. However, we can report that for the investigations closed during FY 2011, in which an indictment was obtained and wherein all criminal and administrative action has been completed, 91% of the indictments in those cases led to convictions.

20. Mr. Kingston: Please update the description from the fiscal year 2012 QFRs of the work the IG is doing in regard to federal, state or industry employee whistleblowers. How many open investigations and reviews are related to whistleblower complaints?

    Response: OIG receives complaints from many sources including Federal and State employees, and the general public. Anyone who contacts OIG to report an allegation of fraud, waste, or abuse is considered to be a potential whistleblower. For FY 2011, there were a total of 57 open investigations and 18 audits initiated as a result of complaints received through the OIG hotline.

21. Mr. Kingston: How many complaints did OIG receive from outside groups that are not whistleblower complaints in fiscal years 2010 and 2011? How many did OIG consider worthy of further investigation?

    Response: As previously noted in response to Number 20 above, we consider all complaints received to be potential whistleblowers. However, we are able to provide data on complaints received from public sources which were received through the OIG Hotline. In FY 2010 the Hotline received 2,547 complaints from public sources, excluding those which were for opinion/information only. In FY 2011, the Hotline received 2,763 complaints from public sources excluding those which were for opinion/information only. In FY 2010, these complaints resulted in 24 investigations. In FY 2011, complaints from public sources resulted in 55 investigations.

22. Mr. Kingston: Please provide for the record the amounts transferred to OIG from the Department of Justice Assets Forfeiture fund for fiscal years 2008 through 2011. Provide an explanation of the use of these funds by OIG.

Response: The information requested follows:

Amounts Transferred to OIG from Department of Justice Assets Forfeiture Fund

Fiscal Year	Annual Allocations[4]	Petitions	Totals
2008	$1,640,000	$663,650	$2,303,650
2009	$2,219,000	$123,041	$2,342,041
2010	$2,222,000	$145,711	$2,367,711
2011	$1,683,000	$11,663	$1,694,663

As a participating member of the Department of Justice (DOJ) Assets Forfeiture Fund, OIG receives funds pursuant to annual allocation requests and pursuant to petitions for remission or mitigation.

Under DOJ's annual allocations, funds can be requested for program operations expenses and investigative expenses. Investigative expenses utilized by OIG involve mainly the equipping of conveyances. Program operations expenses include the following: case related expenses, joint law enforcement operations, special contract services, contracts to identify assets, and training.

Funds received as a result of petitions for remission or mitigation are utilized for law enforcement activities authorized under the Inspector General Act. Such uses for law enforcement activities have included law enforcement equipment and investigative/law enforcement supplies.

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[4] OIG adjusted its methodology in 2011 to reflect the total annual allocation from the DOJ Assets Forfeiture Fund. Previously, in submissions to this Subcommittee, the amounts for such transferred funds for FY 2008 through FY 2010 reflected net proceeds after unexecuted funds were returned to DOJ.

23. Mr. Kingston: Provide for the record amounts transferred to OIG from the Department of Treasury Forfeiture Fund for fiscal years 2008 through 2011. Provide an explanation of the use of these funds by OIG.

Response: The information requested follows:

Fiscal Year	**Amounts Transferred to OIG from Department of Treasury Forfeiture Fund**
2008	$210,421
2009	$485,279
2010	$1,400,501
2011	$0

The above amounts represent funds received from petitions for remission or mitigation from the Department of Treasury Forfeiture Funds. OIG does not receive a separate annual allocation from the Department of Treasury.

Funds received as a result of petitions for remission or mitigation are utilized for law enforcement activities authorized under the Inspector General Act. Such uses for law enforcement activities have included law enforcement equipment and investigative/law enforcement supplies.

24. Mr. Kingston: Please provide for the record amounts transferred to OIG through the granting of a Petition for Remission or Mitigation for fiscal years 2008 through 2011.

Response: The information requested follows:

Amounts Transferred to OIG through the Granting of Petitions for Remission or Mitigation			
Fiscal Year	**Department of Treasury**	**Department of Justice**	**Totals**
2008	$210,421	$663,650	$874,071
2009	$485,279	$123,041	$608,320
2010	$1,400,501	$145,711	$1,546,212
2011	$0	$11,663	$11,663

25. Mr. Kingston: How many OIG employees are entitled to special pay rates? What is OIG's pay scale?

Response: OIG does not have any employees on a special rate pay scale. The Inspector General's (IG) salary is set in accordance with the IG Reform Act of 2008, and OIG employees are either on the GS or ES pay scale. However, OIG's 163 Criminal Investigators (GS 1811) are entitled to Law Enforcement Officer Pay. In addition, investigators who meet the requirements for Law Enforcement Availability Pay are entitled to an additional 25% of their base salary, pursuant to law and OPM regulations. OIG uses the Federal locality pay scale authorized by OPM for all other employees within the Federal Government.

26. Mr. Kingston: Please provide for the record a table showing OIG-owned firearms.

Response: The information is as follows:

OIG Owned Firearms
(Inventory of 03.7.12)

Type of Firearms	**Number**
.40 cal. semiautomatic pistols	319
MP-5s	83
M4 carbines	15
.357 cal. revolvers	6[5]
.38 cal. revolvers	12
12-gauge shotguns	96[5]
Miscellaneous weapons maintained for training purposes	68
Total	**599**

27. Mr. Kingston: Please update the table from the fiscal year 2012 QFRs showing the allocation of OIG's resources and the percent of each that went towards investigations and audits of each USDA agency for fiscal year 2010 and 2011.

Response: The information is as follows:

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[5] OIG will be working with GSA to appropriately remove/dispose of aging firearms from inventory during fiscal year 12.

FY 2010 - Investigations

	Total OIG Dollars in Thousands	OIG Staff Years	Investigation Dollars in Thousands	Percentage of OIG Dollars	Investigations Staff Years	Percentage of OIG Staff Years per
RMA	$4,300	29	$2,800	3	18	3
FSA	10,000	67	6,200	7	40	7
FAS	500	3	500	1	3	1
FNS-SNAP	18,900	123	16,300	18	105	18
FNCS-OTHER	8,500	56	5,700	6	36	6
AMS	1,600	11	800	1	5	1
APHIS	4,200	28	3,400	4	22	4
GIPSA	50	0	40	0	0	0
FSIS	4,000	27	2,200	3	15	3
ARS	600	5	500	1	4	1
NIFA	100	0	50	0	0	0
RD	1,200	8	0	0	0	0
RBS	1,700	12	100	0	1	0
RHS	6,900	47	2,100	2	14	2
RUS	1,300	9	300	0	2	0
FS	8,800	60	2,000	2	13	2
NRCS	3,000	21	1,000	1	6	1
OO	40	0	40	0	0	0
OCFO	800	6	100	0	2	0
OCIO	500	3	0	0	0	0
OIG (internal)	6,400	44	700	1	4	0
Multi-Agency	4,797	34	91	0	0	0
OCRE	80	0	80	0	0	0
SEC	30	0	30	0	0	0
Total	**$88,297**	**593**	**$45,031**	**50**	**290**	**49**

FY 2010 – Audit

	Total OIG Dollars in Thousands	OIG Staff Years	Audit Dollars n Thousands	Percentage of OIG Dollars per Agency	Audit Staff Years	Percentage of OIG Staff Years
RMA	$4,300	29	$1,600	5	11	2
FSA	10,000	67	3,800	4	27	5
FAS	500	3	0	0	0	0
FNS-SNAP	18,900	123	2,600	3	18	3
FNCS-OTHER	8,500	56	2,800	3	20	3
AMS	1,600	11	900	1	6	1
APHIS	4,200	28	800	1	5	1
GIPSA	50	0	0	0	0	0
FSIS	4,000	27	1,700	2	12	2
ARS	600	5	80	0	0	0
NIFA	100	0	40	0	0	0
RD	1,200	8	1,200	1	8	1
RBS	1,700	12	1,600	2	11	1
RHS	6,900	47	4,700	5	33	6
RUS	1,300	9	1,000	1	7	1
FS	8,800	60	6,800	8	48	8
NRCS	3,000	21	2,100	2	15	2
OO	40	0	0	0	0	0
OCFO	800	6	700	1	6	1
OCIO	500	3	500	1	3	1
OIG (internal)	6,400	44	5,700	6	40	7
Multi-Agency	4,797	34	4,646	6	33	6
OCRE	80	0	0	0	0	0
SEC	30	0	0	0	0	0
Total	**$88,297**	**593**	**$43,266**	**52**	**303**	**51**

Investigations – FY 2011

	Total OIG Dollars in Thousands	OIG Staff Years	Investigation Dollars in Thousands	Percentage of OIG Dollars	Investigations Staff Years	Percentage of OIG Staff
RMA	$3,300	22	$2,400	3	16	3
FSA	7,500	51	4,400	5	29	5
FAS	700	5	500	1	3	0
FNS-SNAP	22,700	151	20,700	23	137	23
FNCS-OTHER	8,400	57	6,000	7	39	6
AMS	2,100	15	700	1	5	1
APHIS	3,600	25	2,100	2	14	2
GIPSA	200	2	200	0	2	0
FSIS	4,700	32	2,400	3	16	3
ARS	600	4	300	0	2	0
NIFA	120	1	100	0	1	0
RD	1,500	10	0	0	0	0
NASS	20	0	20	0	0	0
RBS	1,500	10	300	0	2	0
RHS	5,900	41	1,800	2	12	2
RUS	1,100	8	200	0	1	0
FS	6,900	49	1,300	1	8	1
NRCS	3,600	25	700	1	4	1
CR	400	3	0	0	0	0
OO	20	0	20	0	0	0
OCFO	700	5	0	0	0	0
OCIO	700	6	0	0	0	0
OGC	30	0	30	0	0	0
OIG (internal)	6,800	48	600	1	4	2
OHCM	10	0				
Multi-Agency	5,009	36	4	1	1	0
OCRE	200	1	200	0	1	0
SEC	130	1	130	0	1	0
Total	**$88,439**	**608**	**$45,104**	**51**	**298**	**49**

FY 2011 – Audit

	Total OIG Dollars in Thousands	**OIG Staff Years**	**Audit Dollars in Thousands**	**Percentage of OIG Dollars per Agency**	**Audit Staff Years**	**Percentage of OIG Staff Years per**
RMA	$3,300	22	1,000	1	7	1
FSA	7,500	51	3,100	3	22	4
FAS	700	5	300	3	2	0
FNS-SNAP	22,700	151	2,000	2	14	2
FNCS-OTHER	8,400	57	2,400	3	17	3
AMS	2,100	15	1,400	2	10	2
APHIS	3,600	25	1,500	2	11	2
GIPSA	200	2	0	0	0	0
FSIS	4,700	32	2,300	3	16	3
ARS	600	4	300	0	2	0
NIFA	120	1	20	0	0	0
RD	1,500	10	1,400	2	10	2
NASS	20	0	0	0	0	0
RBS	1,500	10	1,100	1	8	1
RHS	5,900	41	4,000	5	29	6
RUS	1,100	8	900	1	6	1
FS	6,900	49	5,600	6	40	7
NRCS	3,600	25	2,900	3	21	3
CR	400	3	400	0	3	0
OO	20	0	0	0	0	0
OCFO	700	5	700	1	5	1
OCIO	700	6	700	1	5	1
OGC	30	0	0	0	0	0
OIG (internal)	6,800	48	6,200	7	45	7
OHCM	10	0	10	0	0	0
Multi-Agency	5,009	36	5,105	3	37	5
OCRE	200	1	0	0	0	0
SEC	130	1	0	0	0	0
Total	**$88,439**	**608**	**$43,335**	**49**	**310**	**51**

28. Mr. Kingston: Please provide for the record a description of the latest OIG work relating to USDA's homeland security activities.

Response: In FY 2011, OIG's Emergency Response Team (ERT) worked with APHIS to help APHIS further enhance its ability to respond and assist in the mitigation of incidents involving facilities and agents from USDA's Select Agent Program. The ERT's specialized skills in evidence collection, Hazardous Waste Operations and Emergency Response enhances OIG's investigations, and also provides USDA with a trained resource to assist in large-scale national incidents. ERT investigators also participated in numerous agriculture-related working groups at the Federal, State, and local level and in tabletop exercises.

A list of OIG audits of USDA homeland security activities follows. This information is current as of March 6, 2012.

WORK CURRENTLY IN PROCESS (sorted by audit number)	
Audit No.	**Audit Title/Description**
24701-0001-TE	FSIS Food Defense Verification Procedures
33601-0012-CH	Effectiveness of the Smuggling, Interdiction, and Trade Compliance Unit (APHIS)
33701-0001-AT	Follow up on APHIS Select Agent Program

AUDIT REPORTS ISSUED SINCE MARCH 2011 (sorted by agency and issuance date)		
Audit No.	**Audit Title/Description**	**Issued**
24601-0006-AT	Food Emergency Response Network (FSIS)	03/22/2011
24601-0008-AT	FSIS In-Commerce Surveillance Activities	09/30/2011

29. Mr. Kingston: Please provide for the record a description of the latest OIG work relating to the administrative and management functions and offices of USDA.

Response: See table below. This information is current as of March 6, 2012.

WORK CURRENTLY IN PROCESS (sorted by audit number)	
Audit No.	**Audit Title/Description**
05401-0002-11	Fiscal Year 2012 and 2011 Federal Crop Insurance Corporation Financial Statements
06401-0002-11	Fiscal Year 2012 and 2011 Commodity Credit Corporation Financial Statements

WORK CURRENTLY IN PROCESS
(sorted by audit number)

Audit No.	Audit Title/Description
10401-0002-11	Fiscal Year 2012 and 2011 Natural Resources Conservation Service Financial Statements
11401-0003-11	Agreed-Upon Procedures: Employee Benefits, Withholdings, Contributions, and Supplemental Semiannual Headcount Reporting Submitted to the U.S. Office Of Personnel Management
11401-0004-11	Statement on Standards for Attestation Engagements No. 16, Report On Controls at NFC
50024-0001-11	Department of Agriculture Compliance with Improper Payments Elimination and Recovery Act of 2010
50024-0001-13	Review of the Department's U.S. Bank Purchase and Travel Card Data
50024-0002-11	Fiscal Year 2011 Executive Order 13520, Reducing Improper Payments, High Dollar Overpayment Report Review
50401-0003-11	Department of Agriculture's Consolidated Financial Statements for Fiscal Years 2012 and 2011
50501-0001-12	USDA's Configuration, Management, and Security Over Domain Name System Servers
50501-0003-12	FY 2012 Federal Information Security Management Act Report (FISMA)
60601-0001-23	Review of the Office of the Assistant Secretary for Civil Rights' Oversight of Agreements Reached on Program Complaints
85401-0002-11	Fiscal Year 2012 Rural Development Financial Statements
88401-0001-11	Review of Selected Controls at the National Information Technology Center
88401-0001-12	Audit of Office of the Chief Information Officer's FY 2010 and 2011 Funding Received for Security Enhancements
88501-0001-12	Review of Selected Controls of the e-Authentication System
88501-0001-IT	International Technology Service Selected Controls Audit
92501-0001-12	Management Services: Review of the Procurement Operations Division

AUDIT REPORTS ISSUED SINCE MARCH 2011
(sorted by agency, issued date)

Audit No.	Audit Title/Description	Issued
05401-0001-11	FCIC Financial Statements for Fiscal Year 2011 and 2010	11/08/2011
06401-0001-11	Commodity Credit Corporation Financial Statements for Fiscal Year 2011 and 2010	11/10/2011
10401-0001-11	NRCS Financial Statements for Fiscal Year 2011 and 2010	11/08/2011
11401-0001-11	Agreed-Upon Procedures: Employee Benefits, Withholdings, Contributions, and Supplemental Semiannual Headcount Reporting Submitted to the Office of Personnel Management	09/23/2011

AUDIT REPORTS ISSUED SINCE MARCH 2011 (sorted by agency, issued date)		
Audit No.	**Audit Title/Description**	**Issued**
11401-0002-11	Statement on Standards for Attestation Engagements No. 16 Report on Controls at National Finance Center	09/23/2011
27401-0001-21	FY 2011 Food and Nutrition Service Financial Statement Audit	11/14/2011
50024-0002-FM	Calendar Year 2010 Executive Order 13520, Reducing Improper Payments, Accountable Official Report Review	03/23/2011
50024-0001-FM	Calendar Year 2010 Executive Order 13520 Reduction of Improper Payments Review	07/15/2011
50501-0001-IT	USDA Security Over Wireless Hand Held Devices	08/15/2011
50401-0001-11	Department of Agriculture's Consolidated Financial Statements for Fiscal Years 2011 and 2010	11/15/2011
50401-0002-11	Fiscal Year 2011 Audit of USDA's Closing Package	11/15/2011
50501-0002-12	FY 2011 Federal Information Security Management Act Report (FISMA)	11/15/2011
85401-0001-11	Rural Development's Financial Statements for Fiscal Years 2011 and 2010	11/10/2011
88501-0001-11	Statement on Standards for Attestation Engagements No. 16 Report on Controls at the National Information Technology Center	09/19/2011

30. Mr. Kingston: Please provide for the record a description of the latest OIG work relating to each of USDA agencies, excluding the U.S. Forest Service.

Response: OIG has conducted investigations involving many of USDA's agencies and programs. The chart below describes our FY 2011 investigative results relative to each agency excluding the FS.

Agency	Indictments	Convictions	Monetary Results
AMS	2		$2,100
APHIS	67	166	$15,599,116
ARS			$20,242
FAS			$136,073
FNS	408	201	$38,283,622
FSA	40	28	$24,343,123
FSIS	6	4	$587,821
GIPSA		1	$1,110
Multi-Agency			$8,000,000
NASS			
NIFA			$100,500
NRCS	6	8	$2,076,179
OCFO			
OCIO			
OGC			
OIG		1	$300
RBS			
RHS	7	5	$2,017,966
RMA	19	14	$21,196,467
RUS		2	$18,300
SEC			
TOTAL	555	430	$112,382,919

Following is a description of audit work currently in process and audits completed since our last testimony relating to the USDA agencies. As requested, Forest Service has been omitted from this list. The information is current as of March 6, 2012.

WORK CURRENTLY IN PROCESS (sorted by audit number)	
Audit No.	**Audit Title/Description**
	Agricultural Marketing Service
01099-0001-21	Beef Research and Promotion Board Activities
01099-0032-HY	Oversight of Federally Authorized Research and Promotion Board Activities
01601-0001-23	National Organic Program's National List of Allowed and Prohibited Substances
01601-0002-32	National Organic Program - Organic Milk Operations

WORK CURRENTLY IN PROCESS
(sorted by audit number)

Audit No.	Audit Title/Description
	Agricultural Research Service
02703-0001-10	Procurement Oversight Audit of the Invasive Plant Research Laboratory Contract (Recovery Act)
02703-0001-12	Agricultural Research Service's Contract Closeout Process (Recovery Act)
02703-0002-10	Procurement Oversight Audit of Red River Valley Agricultural Research Center Contract (Recovery Act)
02703-0007-HQ	Procurement Oversight Audit of National Center for Agricultural Utilization Research Contract (Recovery Act)
	Farm Service Agency
03401-0001-11	Review of Farm Service Agency Accounting for Fiscal Year 2011
03401-0002-11	Review of Farm Service Agency Accounting for Fiscal Year 2012
03601-0001-32	Farm Storage Facility Loan Program
03601-0028-KC	Biomass Crop Assistance Program: Collection, Harvest, Storage, and Transportation Matching Payments Program
03601-0050-TE	2008 Farm Bill's Changes to Payment Limitation
03601-0051-TE	Conservation Reserve Program Soil Rental Rates
	Rural Housing Service
04601-0018-CH	Rural Rental Housing Program Maintenance Costs and Inspection Procedures
04703-0001-31	Recovery Act Single Family Housing Direct and Guaranteed Loans - Effectiveness Review
04703-0002-HY	Recovery Act - Internal Controls Over the Rural Community Facilities Direct Grant and Loan Programs (Phase II)
04703-0003-HY	Loss Claims Related to Single Family Housing Guaranteed Loans
04703-0003-KC	Single Family Housing Direct Loans Recovery Act Controls - Compliance Review
	Risk Management Agency
05099-0114-KC	Validity of New Producers
05401-0002-11	Fiscal Year 2012 Federal Crop Insurance Corporation Financial Statements
05601-0001-31	Controls Over Prevented Planting
05601-0001-32	Reduction of Inconsistent Yields
05601-0006-KC	Federal Crop Insurance Programs - Organic Crops
	Commodity Credit Corporation
06401-0002-11	Fiscal Year 2012 Commodity Credit Corporation Financial Statements
	Foreign Agricultural Service
07601-0001-22	Private Voluntary Organization Grant Fund Accountability
	Rural Utilities Service
09703-0001-32	American Recovery and Reinvestment Act of 2009 - Broadband Initiatives Program - Pre-Approval Controls
09703-0001-AT	Rural Utilities Service Controls Over Water and Waste Disposal Loan and Grant Program

WORK CURRENTLY IN PROCESS (sorted by audit number)	
Audit No.	**Audit Title/Description**
09703-0002-32	American Recovery and Reinvestment Act of 2009 - Broadband Initiatives Program - Post-Award Controls
	Natural Resources Conservation Service
10024-0001-11	Fiscal Year 2011 Natural Resources Conservation Service Improper Payment Review
10401-0002-11	Fiscal Year 2012 Natural Resources Conservation Service Financial Statements
10601-0001-22	Natural Resources Conservation Service's Oversight and Compliance Activities
10703-0001-31	American Recovery and Reinvestment Act Floodplain Easements and Watershed Operations Programs - Effectiveness Review
10703-0001-AT	American Recovery and Reinvestment Act Rehabilitation of Flood Controls Dams - Phase II
10703-0003-KC	American Recovery and Reinvestment Act, Emergency Watershed Protection Program, Floodplain Easements, Easements on Nonagricultural Land
10703-0004-KC	American Recovery and Reinvestment Act, Watershed Protection and Flood Prevention Operations Program, Field Confirmations
10703-0005-KC	American Recovery and Reinvestment Act, Emergency Watershed Protection Program Floodplain Easements, Field Confirmations
10704-0001-32	Migratory Bird Habitat Initiative: NRCS' Response to Issues Caused by the Deepwater Horizon Oil Spill
	Office of the Chief Financial Officer
11401-0003-11	Agreed-Upon Procedures: Employee Benefits, Withholdings, Contributions, and Supplemental Semiannual Headcount Reporting Submitted to the U.S. Office Of Personnel Management
11401-0004-11	Statement on Standards for Attestation Engagements No. 16, Report On Controls at NFC
	Food Safety and Inspection Service
24601-0001-31	Application of Food Safety and Inspection Service (FSIS) Sampling Protocol for Testing Beef Trim for *E. Coli* O157:H7
24601-0001-41	FSIS - Inspection and Enforcement Activities at Swine Slaughterhouses
24601-0002-31	Review of Appeals of Humane Handling Noncompliance Records
24601-0003-31	FSIS *E.Coli* Testing of Boxed Beef
24601-0011-HY	Assessment of FSIS Inspection Personnel Shortages in Processing Establishments
24701-0001-TE	FSIS Food Defense Verification Procedures
27001-0001-10	Review of Selected Food and Nutrition Service (FNS) Programs for Duplicated, Overlapping, or Fragmented Goals, Objectives, and/or Client Bases

WORK CURRENTLY IN PROCESS (sorted by audit number)	
Audit No.	**Audit Title/Description**
	Food and Nutrition Service
27002-0006-13	Analysis of Texas' Supplemental Nutrition Assistance Program (SNAP) Eligibility Data
27002-0007-13	Analysis of Missouri's Supplemental Nutrition Assistance Program (SNAP) Eligibility Data
27002-0008-13	Analysis of Massachusetts' Supplemental Nutrition Assistance Program (SNAP) Eligibility Data
27002-0009-13	Analysis of New Jersey's Supplemental Nutrition Assistance Program (SNAP) Eligibility Data
27002-0010-13	Analysis of New York's Supplemental Nutrition Assistance Program (SNAP) Eligibility Data
27002-0011-13	Analysis of FNS' Supplemental Nutrition Assistance Program (SNAP) Fraud Prevention and Detection Efforts
27601-0001-23	National School Lunch Program-Food Service Management Companies and Cost-Reimbursable Contracts
27601-0038-CH	Vendor Management and Participant Eligibility in the WIC Program
27703-0001-22	Recovery Act Impacts on Supplemental Nutrition Assistance Program - Phase Two
27703-0002-AT	Recovery Act Impacts on Supplemental Nutrition Assistance Program - Planning Phase One
27703-0003-AT	The Emergency Food Assistance Program (TEFAP) Phase II
	Animal and Plant Health Inspection Service
33601-0001-41	Animal and Plant Health Inspection Service (APHIS) Oversight of Research Facilities
33601-0012-CH	Effectiveness of the Smuggling, Interdiction, and Trade Compliance Unit
33701-0001-AT	Follow-up on APHIS' Implementation of the Select Agent or Toxin Regulations
	Rural Business-Cooperative Service
34703-0001-31	Rural Business Enterprise Grants Recovery Act Confirmations
34703-0001-32	American Recovery and Reinvestment Act - Business and Industry Guaranteed Loan Program - Phase 3
34703-0002-31	Recovery Act Rural Business Enterprise Grants - Effectiveness Review
34703-0002-KC	Rural Business Enterprise Grants Recovery Act Controls
	Multi-Agency
50024-0001-11	Department of Agriculture Compliance with Improper Payments Elimination and Recovery Act of 2010
50024-0001-13	Review of the Department's U.S. Bank Purchase and Travel Card Data
50024-0002-11	Fiscal Year 2011 Executive Order 13520, Reducing Improper Payments, High Dollar Overpayment Report Review
50401-0003-11	Department of Agriculture's Consolidated Financial Statements for Fiscal Years 2012 And 2011

WORK CURRENTLY IN PROCESS (sorted by audit number)	
Audit No.	**Audit Title/Description**
50501-0001-12	USDA's Configuration, Management, and Security Over Domain Name System Servers
50501-0003-12	FY 2012 Federal Information Security Management Act Report (FISMA)
50601-0001-16	Section 632(a) Transfer of Funds from USAID to USDA - Pakistan
50601-0001-21	In Re Black Farmers Discrimination Litigation
50601-0001-22	Effectiveness of the Department's Recent Efforts to Enhance Agricultural Trade
50601-0001-23	USDA Controls Over Shell Egg Inspections
50601-0001-31	Verifying Credentials of Veterinarians Employed or Accredited by USDA
50601-0001-41	Review of Rural Development Procurement Controls
50601-0012-HQ	Monitoring and Accountability of Section 632(a) Funds from USAID to USDA
50703-0001-12	Procurement Oversight Audit of South Building Modernization Project (Phase 4a, Wing 5)
50703-0001-13	American Recovery and Reinvestment Act - USDA Federalreporting.Gov March 2011 Data Quality Review
50703-0001-23	Trade Adjustment Assistance for Farmers Program Phase II (Recovery Act)
50703-0001-31	Recovery Act Supplemental Revenue Assistance Payments Program
50703-0002-13	Data Quality Review of American Recovery and Reinvestment Act Jobs Reported for USDA Programs
	Office of the Assistant Secretary for Civil Rights
60601-0001-23	Review of the Office of the Assistant Secretary for Civil Rights' Oversight of Agreements Reached in Program Complaints
	Rural Development
85401-0002-11	Fiscal Year 2012 Rural Development Financial Statements
	Office of the Chief Information Officer
88401-0001-11	Review of Selected Controls at the National Information Technology Center
88401-0001-12	Audit of Office of the Chief Information Officer's FY 2010 and 2011 Funding Received for Security Enhancements
88501-0001-12	Review of Selected Controls of the e-Authentication System
88501-0001-IT	International Technology Services Selected Controls Audit
	Management Services
92501-0001-12	Review of the Procurement Operations Division

AUDIT REPORTS ISSUED SINCE MARCH 2011
(sorted by agency, issued date)

Audit No.	Audit Title/Description	Issued
	Agricultural Marketing Service	
01601-0004-HY	Implementation of Country of Origin Labeling	08/18/2011
01601-0001-32	National Organic Program - Organic Milk	02/29/2012
	Agricultural Research Service	
02703-0003-HQ	Recovery Act General Procurement Oversight Audit of Beltsville's Agricultural Research Service National Agricultural Library Brick Repair Contract Awarded to Vigil Contracting, Inc.	05/06/2011
02703-0004-HQ	Recovery Act General Procurement Oversight Audit of ARS Southeast Poultry Research Laboratory, Replacement of Critical Mechanical Systems Serving Buildings 1, 4, and 34; Contract Awarded by Agricultural Research Service to Peachtree Mechanical, Inc.	07/01/2011
02703-0006-HQ	Recovery Act General Procurement Oversight Audit of ARS Facilities Repairs Contract Award	08/22/2011
02703-0005-HQ	Recovery Act Procurement Oversight Audit of Architect-Engineer Services Contract Awarded by Agricultural Research Service to Delta Engineers & Architects, P.C.	09/30/2011
02703-0008-HQ	Procurement Oversight Audit of National Center for Agricultural Utilization Research	12/21/2011
02703-0009-HQ	Recovery Act Procurement Oversight Audit of Western Regional Research Facility Contract Awarded by Agricultural Research Service to Abide International, Inc.	12/21/2011
	Farm Service Agency	
03703-0001-IT	Recovery Act Spending for FSA IT Issues	03/31/2011
03024-0001-11	Farm Service Agency Farm Assistance Program Payments for Fiscal Year 2010	06/21/2011
03703-0002-CH	Controls Over Aquaculture Grant Recovery Act Funds (Phase 2)	01/20/2012
	Rural Housing Service	
04601-0020-CH	Rural Rental Housing Program - Midwest Management Company	05/19/2011
04703-0002-CH	Controls Over Eligibility Determinations for Single Family Housing Guaranteed Loan Recovery Act Fund	09/30/2011
	Risk Management Agency	
05099-0029-AT	Citrus Indemnity Payments Resulting From 2005 Florida Hurricanes	09/07/2011
05401-0001-11	FCIC Financial Statements for Fiscal Year 2011	11/08/2011

AUDIT REPORTS ISSUED SINCE MARCH 2011
(sorted by agency, issued date)

Audit No.	Audit Title/Description	Issued
	Commodity Credit Corporation	
06401-0001-11	Commodity Credit Corporation Financial Statements for Fiscal Year 2011	11/10/2011
	Natural Resources Conservation Service	
10601-0006-KC	Natural Resources Conservation Service - Emergency Disaster Assistance: Emergency Watershed Protection Program	03/30/2011
10099-0003-CH	Controls Over the Farm and Ranch Lands Protection Program	09/14/2011
10401-0001-11	NRCS Financial Statements for Fiscal Year 2011	11/08/2011
	Office of the Chief Financial Officer	
11401-0001-11	Agreed-Upon Procedures: Employee Benefits, Withholdings, Contributions, and Supplemental Semiannual Headcount Reporting Submitted to the Office of Personnel Management	09/23/2011
11401-0002-11	Statement on Standards for Attestation Engagements No. 16 Report on Controls at National Finance Center	09/23/2011
	Food Safety and Inspection Service	
24601-0006-AT	Food Emergency Response Network	03/22/2011
24601-0008-AT	FSIS In-Commerce Surveillance Activities	09/30/2011
	Food and Nutrition Service	
27703-0001-TE	Controls Over Outsourcing of FNS Supplemental Nutrition Assistance Program Call Centers	06/30/2011
27703-0001-IT	Recovery Act Spending for WIC Management Information System	08/22/2011
27401-0001-21	FY 2011 Food and Nutrition Service Financial Statement Audit	11/14/2011
27002-0001-DA	Analysis of Supplemental Nutrition Assistance Program (SNAP) Anti-Fraud Locator EBT Retailer Transactions (ALERT) Database	11/22/2011
27002-0001-13	Analysis of Kansas' Supplemental Nutrition Assistance Program (SNAP) Eligibility Data	11/23/2011
27002-0002-13	Analysis of Florida's Supplemental Nutrition Assistance Program (SNAP) Eligibility Data	11/29/2011
27703-0002-HY	State Fraud Detection Efforts for the Supplemental Nutrition Assistance Program	01/27/2012
27002-0003-13	Analysis of Louisiana's Supplemental Nutrition Assistance Program (SNAP) Eligibility Data	01/31/2012
27002-0004-13	Analysis of Alabama's Supplemental Nutrition Assistance Program (SNAP) Eligibility Data	01/31/2012
27002-0005-13	Analysis of Mississippi's Supplemental Nutrition Assistance Program (SNAP) Eligibility Data	01/31/2012

AUDIT REPORTS ISSUED SINCE MARCH 2011
(sorted by agency, issued date)

Audit No.	Audit Title/Description	Issued
27099-0001-DA	Identifying Areas of Risk in the Child and Adult Care Food Program (CACFP) Using Automated Data Analysis Tools	01/31/2012
27703-0001-HQ	Recovery Act - FNS, National School Lunch Program Equipment Grants	02/15/2012
	Rural Business-Cooperative Service	
34004-0001-KC	Rural Cooperative Development Grant Program Eligibility and Grant Funds Use of Missouri Entity	08/25/2011
34703-0002-TE	American Recovery and Reinvestment Act - Business and Industry Guaranteed Loans Phase 2	02/13/2012
	Multi-Agency	
50024-0002-FM	Calendar Year 2010 Executive Order 13520, Reducing Improper Payments, Accountable Official Report Review	03/23/2011
50099-0046-AT	USDA Payments for 2005 Citrus Canker Tree Losses	03/23/2011
50601-0016-KC	Emergency Disaster Assistance for 2008 Floods: Emergency Conservation Program	03/31/2011
50601-0016-TE	Controls Over Genetically Engineered Animal and Insect Research	05/31/2011
50024-0001-FM	Calendar Year 2010 Executive Order 13520 Reduction of Improper Payments Review	07/15/2011
50601-0015-KC	National Agricultural Statistics Service Establishment of Average Yields	08/01/2011
50501-0001-IT	USDA Security Over Wireless Hand Held Devices	08/15/2011
50401-0001-11	Department of Agriculture's Consolidated Financial Statements for Fiscal Years 2011 and 2010	11/15/2011
50401-0002-11	Fiscal Year 2011 Audit of USDA's Closing Package	11/15/2011
50501-0002-12	FY 2011 Federal Information Security Management Act Report (FISMA)	11/15/2011
50099-0084-HY	USDA's Response to Colony Collapse Disorder (CCD)	01/20/2012
	Rural Development	
85401-0001-11	Rural Development's Financial Statements for Fiscal Years 2011 And 2010	11/10/2011
	Office of the Chief Information Officer	
88501-0001-11	Statement on Standards for Attestation Engagements No. 16 Report on Controls at the National Information Technology Center	09/19/2011

In addition to the audit reports mentioned above, we have issued the following Fast Reports since March 2011. A *Fast Report* is an interim report submitted to the action agency during an ongoing audit so USDA program managers can take corrective action as soon as problems are identified.

FAST REPORTS ISSUED SINCE MARCH 2011
(sorted by Ongoing Audit Number)

Audit No. Fast Report No.	Title/Description	Issued
04703-0003-KC	Single Family Housing (SFH) Direct Loans Recovery Act Controls - Compliance Review	
04703-0003-KC(1)	SFH Direct Loans Recovery Act Controls - Compliance Review of Borrowers' Eligibility Determinations	08/19/11
09703-0001-AT	Rural Utilities Service (RUS) Controls Over Water and Waste Disposal Loan and Grant Program	
09703-0001-AT(2)	RUS Needs to Improve Project Transparency for the Water and Waste Disposal System Recovery Act Projects	08/31/11
10703-0004-KC	American Recovery and Reinvestment Act, Watershed Protection and Flood Prevention Operations Program, Field Confirmations	
10703-0004-KC(1)	Watershed Protection and Flood Prevention Operations Program - Grants and Locally Led Contracts Do Not Include All Required Recovery Act Award Terms	07/01/11
33601-0012-CH	Effectiveness of the Smuggling, Interdiction, and Trade Compliance Unit	
33601-0012-CH(1)	Effectiveness of the Smuggling, Interdiction, and Trade Compliance Unit– APHIS Needs to Establish Better Controls Over Information Systems	04/07/11
50501-0001-12	USDA's Configuration, Management, and Security Over Domain Name System Servers	
50501-0001-12(1)	Critical Domain Name System Servers	04/15/11
92501-0001-12	Review of the Procurement Operations Division	
92501-0001-12(1)	Fourth Data Center in Support of the USDA eMail Consolidation	11/16/11

31. Mr. Kingston: Please provide for the record a description on the latest OIG work relating to the WIC Program, including vendor monitoring.

Response: During FY 2011, our WIC investigations resulted in 12 indictments, 10 convictions, and $505,273 in monetary results.

A recent example of our investigative work in WIC involved a Grand Rapids, Michigan, family who used its gas station to defraud the SNAP and WIC programs of approximately

$200,000 over a 3-year period. Because the owners and employees exchanged WIC and SNAP benefits for cash and accepted benefits in exchange for tobacco products and cell phone minutes, they were redeeming approximately $25,000 a month in SNAP benefits while competitors in the area were redeeming only approximately $2,800. During the course of the investigation, the owner admitted to using the proceeds of this fraud to purchase a BMW automobile, which was seized by OIG. Agents also seized approximately $80,000 in cash from the gas station and the owner's residence during the investigation. Each family member was indicted on charges of SNAP and WIC fraud, conspiracy, and money laundering. In July 2011, four individuals were sentenced to incarceration periods ranging from 21 to 27 months, restitution of $197,235, and $30,000 in fines. Two of the subjects resided in the United States illegally and are expected to be deported.

Following is a description of audit work currently in process and audits completed relating to the WIC program. The information is current as of March 6, 2012.

WORK CURRENTLY IN PROCESS (sorted by audit number)	
Audit No.	**Audit Title/Description**
27601-0038-CH	Vendor Management and Participant Eligibility in the WIC Program. We will evaluate the implementation of food delivery regulations intended to improve the integrity of vendor management, and assess the certification of participants. Specifically, we will assess the implementation of compliance investigations; the accountability, control, and security of food instruments; and determinations of participant eligibility.

AUDIT REPORTS ISSUED SINCE MARCH 2011 (sorted by agency, issued date)		
Audit No.	**Audit Title/Description**	**Issued**
27703-0001-IT	Recovery Act Spending for WIC Management Information Systems	08/22/2011

32. Mr. Kingston: Please provide for the record a description on the latest OIG work relating to the child nutrition programs.

Response: In FY 2011, investigations work in the Child and Adult Care Food Program as well as in the National School Lunch Program resulted in 9 indictments, 7 convictions, and $8.8 million in monetary results.

A recent example of our investigative work in CACFP involved the former administrator of a private school in Wisconsin. Our investigation disclosed that from September 2005 to April 2006, the former administrator submitted false meal reimbursement claims for more than 117,948 meals, totaling at least $165,913, to the Wisconsin Department of Public Instruction. These false meal claims allowed the school to fraudulently receive more CACFP funds than it was entitled to. In January 2011, in U.S. District Court, Eastern

District of Wisconsin, the former administrator of the school was charged with five counts of mail fraud and one count of money laundering. He pled guilty to one count of mail fraud and one count of money laundering in March 2011. In August 2011, the former administrator was sentenced to 18 months of incarceration and 3 years of probation. He was also ordered to pay $160,124 in restitution to the Wisconsin Department of Public Instruction.

Following is a description of audit work currently in process and audits completed relating to the Child Nutrition Programs. The information is current as of March 6, 2012.

WORK CURRENTLY IN PROCESS (sorted by audit number)	
Audit No.	**Audit Title/Description**
27601-0001-23	National School Lunch Program – Food Service Management Companies and Cost-Reimbursable Contracts. We will assess the effectiveness of any controls implemented by FNS and selected State agencies as a result of our previous audits. We will also determine (1) whether school food authorities (SFA) that signed fixed-rate-per-meal contracts are receiving the benefit and value of all donated foods provided to FSMCs and (2) whether SFAs that signed cost-reimbursable contracts with FSMCs are receiving all purchase discounts and rebates.

AUDIT REPORTS ISSUED SINCE MARCH 2011 (sorted by agency, issued date)		
Audit No.	**Audit Title/Description**	**Issued**
27099-0001-DA	Identifying Areas of Risk in the Child and Adult Care Food Program (CACFP) Using Automated Data Analysis Tools	01/31/2012
27703-0001-HQ	Recovery Act – FNS, National School Lunch Program Equipment Grants	02/15/2012

33. Mr. Kingston: Please provide for the record a description of OIG's functional analysis.

Response: The purpose of this functional analysis is to ensure that OIG, as an agency, is appropriately positioned to continue to operate in the most efficient and effective manner in an era of limited resources. The review covers all of OIG's functions to ensure that we are tying our resources to what is most critical to meeting our mission, that we are conducting our operations in accordance with applicable law and regulations, and that we are performing our activities in the most efficient and cost effective manner.

The analysis was conducted pursuant to a detailed methodology for all of OIG's operating units to use in: 1) identifying the activities (e.g., functions, processes, etc.) performed by the unit; 2) identifying the number of staff performing the function and the job series of those staff; 3) determining whether these activities are critical to the accomplishment of OIG's mission; 4) determining whether these activities are necessary to keep OIG compliant with relevant law and regulation; and 5) analyzing whether the function could be eliminated in whole or in part or could be restructured to be performed more cost effectively.

Based on this analysis, OIG's Senior Staff is working to identify those functions/positions that could be reduced to propose a plan for their reduction over time; and is working to ensure that all critical functions are being carried out in the most effective and efficient manner possible.

QUESTIONS FOR THE RECORD SUBMITTED BY REP. SANFORD D. BISHOP

STAFF CUTS IN INSPECTOR GENERAL'S OFFICE

Mr. Bishop: Your testimony indicates that during the first quarter of FY2012, your Office approved voluntary buyouts and early retirements for 21 employees, and plans to approve similar measures for 30 additional employees before your Recovery Act funding expires in December 2012. Additionally, I see your testimony mentions that your office is only filling key vacancies as they arise. Has the reduction in staff had any impact on the ability of the Office to complete the audits and investigations with which the OIG is tasked?

> Response: Yes, the reduction in staff has impacted our ability to initiate investigations. With fewer investigators we are more restricted in the investigations we can initiate. Investigations which impact public health and safety are our first priority and we will respond immediately to those. Because the reduction in resources has also reduced all OIG travel funds by at least 49%, USDA program cases requiring substantial travel are generally being declined unless they are high impact cases.
>
> The reduction in staff and travel resources has also had an impact on our ability to plan and conduct audits. Our first priority is to comply with legislatively mandated requirements and to be responsive to congressional requests. We continuously prioritize our audits in order to perform higher-priority work that needs to be undertaken due to occurrences of natural disasters, and significant agency program changes. Any further reductions in audit resources could affect our efforts to provide further oversight of USDA programs and activities.

FARM SERVICE AGENCY BUDGET CUTS

Mr. Bishop: The Farm Service Agency is responsible for delivery of farm credit and disaster relief, as well as commodity and conservation programs. I think every member of this Subcommittee understands how important the FSA is to small farmers. The Administration has proposed the elimination of direct payments and changes to crop insurance programs. Given your familiarity with FSA and its staffing, do you foresee any challenges for the FSA with the elimination of direct payments? Follow-up: There have been suggestions that FSA expand its administrative responsibilities to include crop insurance. Do you have any thoughts on this proposal, particularly based on the history of the crop insurance program, and FSA's previous involvement?

> Response: We have not done specific audit work to review the potential effects of the elimination of direct payments or the expansion of FSA's administrative responsibilities to include crop insurance. We have identified FSA's staffing resources and workforce succession planning, along with those of multiple other USDA agencies, as an emerging issue in our Management Challenges reports over the last several years. FSA faces both increasing budget constraints and declining staff. According to FSA officials, permanent employees are at a record low (down 7 percent since 2006). FSA is proposing to reduce its staff by 10 percent in FY 2012, partly because it foresees that modernization, such as business re-engineering, will eventually ease the implementation burdens that come with new programs (e.g., those anticipated in the 2012 Farm Bill). If successful, modernizing operations should lower the workload on the FSA Headquarters staff implementing such programs and the field staff administering them. However, FSA still needs a comprehensive workforce succession plan. Currently, 30 percent of its employees are eligible to retire, and over 24 percent more will be become eligible in the next 5 years. With over half its workforce soon to be retirement eligible, FSA's plan should balance modernization and a reduced workforce with continuing to provide quality services.

OVERSIGHT OF RECOVERY ACT PROGRAMS

Mr. Bishop: Your testimony mentions the OIG's comprehensive review of the $28 billion dollars provided to USDA through the American Recovery and Reinvestment Act of 2009. It appears, given your testimony, that your reviews have been successful. For example, in your review of the Single Family Housing Direct Loan Program, you estimated that 1,450 loans, totaling $173 million dollars were issued to borrowers with questionable eligibility. When ineligibility is discovered after the issuance of a loan, are there any penalties for the borrowers, or are any steps taken to recoup the ineligible loan?

> Response: When ineligibility is discovered after the issuance of a loan, we try to determine whether the borrowers provided "false information in obtaining the loan" and therefore received unauthorized assistance. If that occurred, OIG could recommend that Rural Development call the loan. In the example you refer to with respect to our review of the Single Family Housing Direct Loan Program, we determined that Rural Development staff did not accurately use the information the borrower provided to determine if borrowers had the ability to repay the loans. We concluded that 17 borrowers in our sample were ineligible because they fell into the "inadequate payment ability" category. These loans would not be considered "unauthorized assistance" because the errors were made by agency staff. The borrowers may be permitted to retain the loan, with some adjustments.

Mr. Bishop: Does the OIG have any plans to use similar auditing methods to determine whether programs outside the Recovery Act are functioning effectively? Can the methods used to audit Recovery Act programs be used to reduce and prevent fraud in programs not associated with the Recovery Act?

> Response: Yes. We had considerable success using statistical sampling techniques in our Recovery Act audits. We are requesting $800,000 in FY 2013 to fund our statistical sampling efforts in our non-Recovery Act audits. The use of a statistical sample allows us to project our results to the universe so that the program in its entirety is represented. This strengthens our analysis and enables an agency to determine that corrective actions are required. For example, in a recent audit of the Single Family Guaranteed Loan Program [04703-0002-CH], our review of 100 randomly selected loans from the portfolio of over 81,000 loans, allowed us to estimate that 30,310 loans (almost 37 percent of the portfolio) with a projected total value of $4.16 billion were potentially ineligible.

BROADBAND

Mr. Bishop: In your 2005 and 2009 reports on the RUS Broadband Loan Program, you raised concerns that the RUS was spending resources on funding competitive service in areas where service already existed, instead of sending these funds to unserved communities without broadband access. As the new, "interim final" rules released by the RUS in March 2011 still allows loans to be made in areas that are 100 percent served, wouldn't you expect these concerns to persist?

> Response: Yes, we expect these types of concerns to continue. According to the interim rule, RUS' definition of an eligible service area addresses the requirements of the 2008 Farm Bill, which provide that:
>
> 1. At least 25 percent of the households in the proposed service area be underserved in order for the area to qualify as an eligible service area (as presented in the definitions, an underserved household is one that is not offered broadband service, or that is offered broadband service by only one incumbent service provider), and
> 2. A service area may be eligible for funding only if no part of the area is served by three or more incumbent service providers.
>
> Until such time as the Farm Bill language is amended to define "broadband service" in terms of minimum rates of data transmission and to define an eligible service area as one that is wholly unserved, we expect RUS can continue funding competitive service in areas where service already exists.

SNAP AND WIC BENEFITS

Mr. Bishop: Madame Inspector, I am strong supporter of SNAP and WIC benefits. Some of my colleagues, however, continue to look at food and nutrition programs, primarily SNAP and WIC for potential short and long-term savings. Given your considerable efforts in reviewing SNAP and WIC benefits, where do you see potential savings in these programs, if at all?

> Response: From an investigations perspective, identifying and preventing fraud in SNAP and WIC could help ensure that monies and benefits are not given to individuals who engage in fraud, thereby allowing those dollars to be saved or used in a more effective manner by FNS. This is particularly important during difficult economic times, when the number of people receiving assistance from SNAP and WIC increases. In addition, these programs are challenged with the rise in food costs, which further affects the growth of spending.

Mr. Bishop: How would you compare the occurrence of fraud in SNAP and WIC programs to that of other USDA programs, such as conservation programs, etc?

> Response: In comparison to other USDA programs, FNS indicates that SNAP has one of the lowest fraud rates of all USDA programs. However, it should also be noted that in terms of funding and program participation it is the largest USDA program. Even an extremely low fraud rate in a program the size of SNAP will generate a large number of investigations for OIG. Currently OIG spends approximately 49% of its investigative resources pursuing SNAP and WIC investigations. SNAP investigations in particular are where we obtain our greatest investigative results in terms of convictions and monetary results.

CUTS TO USDA BUDGET

Mr. Bishop: Your Office performs audits and investigations in nearly every agency and program under the USDA umbrella. Will continued cuts to USDA's budget hinder OIG's ability to perform its duties?

> Response: Continued reductions to USDA's budget may impair OIG's ability to perform its duties. USDA staff is being reduced through buyouts and attrition, including experienced staff that monitor and maintain agency programs. This may make USDA programs more susceptible to potential fraud, abuse, or mismanagement. OIG would need to factor this information into our planning process to continue to focus audit resources on the Department's top management challenges.
>
> When conducting audits and investigations, we rely upon USDA program personnel to assist us by providing subject matter expertise. In many instances the work we initiate results from referrals made by USDA personnel who identify suspicious or fraudulent activity in the course of their day-to-day responsibilities. With fewer USDA personnel there may be instances of fraud that go undetected.

Additionally, a reduction in USDA's budget could result in fewer program officials who are knowledgeable about USDA programs and are available to provide valuable input when we are pursuing audits and investigations. This could negatively impact our ability to obtain prosecutions or ensure appropriate corrective action. For example, USDA programs can be extremely complex, and it is often critical to our investigations to have a knowledgeable program official who can help explain the program to the prosecutor and serve, in some instances, as a witness in front of a jury.

QUESTIONS FOR THE RECORD SUBMITTED BY REP. MARCY KAPTUR

ACTIVITIES IN OHIO

Ms. Kaptur: Please describe some of OIG's activities in Ohio and the impact of its audits or investigations. What recommendations if any were made to Ohio USDA offices as a result of any OIG audits or investigations?

Response: The majority of the investigative work conducted by OIG in Ohio focused on FNS programs. For FY 2011, our work in this area resulted in 14 indictments, 19 convictions, and $2.1 million in monetary results.

An example of our investigative work in Ohio involved a 2-year joint criminal investigation led by OIG. The investigation disclosed that the owner, manager, and employees of two SNAP-authorized retailers in Cincinnati exchanged SNAP benefits for firearms, cash, stolen tobacco products, narcotics, and drug paraphernalia. In April 2011, two store employees, who were brothers, were sentenced in the U.S. District Court for the Southern District of Ohio, to 51 months incarceration followed by 3 years supervised release, and were ordered to pay $1,900 in fines. The men's mother was sentenced in May 2011 in an Ohio county court to time served, 6 months home confinement, 3 years supervised release, and court costs of $100 after agents found EBT cards in her purse while searching for evidence involving her sons' illegal SNAP trafficking. Their father was sentenced to probation in September 2011 in the Hamilton County, Ohio Court of Common Pleas, after he pled guilty to SNAP fraud and receipt of stolen property. One of the store owners and a manager are scheduled to be tried criminally in Hamilton County later this year for illegal use of SNAP benefits. This investigation was conducted jointly with the U.S. Secret Service; DOJ's Bureau of Alcohol, Tobacco, Firearms and Explosives; the Ohio Department of Public Safety Investigative Unit; and the Cincinnati Police Department.

Recent audit activities in program areas which included or involved entities in Ohio are reflected as follows. Information provided includes current audit work in process as well as audits issued from fiscal year 2011 to present. The information is current as of March 6, 2012. None of the audits have made recommendations specifically directed at Ohio agencies or recipients of USDA program funding.

Audit Number	Audit Title	Audit Work Performed in Ohio	Current Status of Audit
03401-0001-11	Review of Farm Service Agency's Accounting for Fiscal Year 2011	No fieldwork was performed in Ohio for the financial statement audit; however, we did review loans with four borrowers with addresses in Ohio. We also reviewed two program payments issued by the Ohio office.	Ongoing
04703-0003-HY	Loss Claims Related to Single Family Housing (SFH) Guaranteed Loans	OIG reviewed audit evidence and files for two guaranteed loan loss claims for properties in Ohio. These two loss claims were selected as part of our statistical sample of defaulted loans. Our work for this audit has primarily taken place at the Centralized Servicing Center in St. Louis, MO. We have not been in OH for any of this work.	Ongoing
04703-0003-KC	Single-Family Housing (SFH) Direct Loans Recovery Act Controls – Phase II Compliance Review	We did not make any recommendations specific to Ohio as part of this audit; however, three of our sampled loan files were from Ohio. See details below: Our audit covered Rural Development (RD) SFH Direct Loans closed during the period from March 2009 through June 2010 (note this was before FY 2011 as described below). We statistically selected 100 loans from a universe of about 8,100 Recovery Act loans, which had closed as of June 30, 2010. RD mailed the 100 selected loan files from 38 States and Puerto Rico to a central location (RD Centralized Servicing Center) in St. Louis for our review. Since we reviewed the loan files in a central location, we did not visit Ohio as part of our fieldwork. Three of the 100 loan files in our sample were from Ohio. We contacted RD officials in Ohio to discuss.	Ongoing
Related Fast Report 04703-0003-KC (1)	Single-Family Housing Direct Loans Recovery Act Controls – Compliance Review of Borrowers' Eligibility Determinations		Issued August 2011
05401-0001-11	FCIC Financial Statements for Fiscal Year 2011	As part of the audit of the FCIC, the independent public accounting firm did confirm a few items with an insurance company located in Cincinnati, Ohio. However, they did not perform any fieldwork in Ohio.	Issued November 2011
05601-0001-32	Reduction of Inconsistent Yields	There are several inconsistent yields (IY) in Ohio, but we have not yet selected any IYs for review. In January 2012, we requested (through the Risk Management Agency (RMA)) an update from all approved insurance providers (AIP) as to any actions the AIPs have taken on IYs that were identified by RMA in September 2010. We are in the process of reviewing the AIPs' responses to our requests.	Ongoing
10401-0001-11	NRCS Financial Statements for Fiscal Year 2011	As part of our NRCS financial statement review, the independent public accounting firm tested 22 samples from Ohio during FY 2011. These included expense accruals, payment disbursements, capital leases, and adjustments.	Issued November 2011
10703-0003-KC	Natural Resources	The audit included a review of easement application	Issued

Audit Number	Audit Title	Audit Work Performed in Ohio	Current Status of Audit
	Conservation Service's (NRCS) Emergency Watershed Protection Program Floodplain Easements – Easement Applications on Non-Agricultural Land	files that were located at the NRCS State office in Columbus, Ohio. The audit team also performed site visits to six easements located in one county and one easement in another county in Ohio. No recommendations were made directly to the Ohio NRCS State office in this report as all recommendations were addressed to the NRCS National office.	March 2012
27601-0001-23	National School Lunch Program (NSLP) - Food Service Management Companies	We visited the Ohio Department of Education and Ohio State Auditor's office. We also visited six school food authorities in Ohio. We do not anticipate issuing recommendations specific to Ohio.	Ongoing
27703-0001-TE	Controls Over Outsourcing of FNS SNAP Call Centers	We interviewed and/or obtained documentation from the Ohio State EBT Director to verify the status of the States' call center(s). Ohio's call centers were domestic (not foreign).	Issued June 2011
34703-0001-32	Recovery Act - Business and Industry Guaranteed Loan Program – Phase 3	We used the same statistical sample as in 34703-0002-TE. During this review, we have visited the Rural Development (RD) Ohio State Office to review loan servicing files related to one company. We are still in the fieldwork phase of this review.	Ongoing
34703-0002-KC	Rural Business Enterprise Grants (RBEG) Recovery Act Controls, Phase II	We do not anticipate making any recommendations specific to Ohio as part of this audit; however, one of our sampled projects was located in Ohio. See details below:	Ongoing
34703-0001-31	Rural Business Enterprise Grants Recovery Act Field Confirmations, Phase IIa	Our audits covered RD RBEG projects obligated from the round of projects selected for funding in June 2009. We statistically selected 45 grants from a universe of 145 projects which were obligated by September 30, 2009. For 34703-0002-KC, we reviewed all projects located in Ohio (3 projects).	Ongoing
34703-0002-TE	Recovery Act – Business and Industry (B&I) Guaranteed Loan Program - Phase 2	We reviewed the effectiveness of RD's internal controls over B&I loan approvals. As part of this, we selected a statistical sample of 55 loans that was spread across 27 States. The sample included reviewing files from the RD Ohio State Office for two Recovery Act B&I loan guarantees and had the following exceptions for these two loans: • Inaccurate priority scoring • Inadequate review Since these two loans were part of the nationwide statistical sample, recommendations were addressed to the RD national office based upon the overall sample results and no specific recommendations were made to the RD Ohio State Office.	Issued February 2012
50601-0001-23	USDA Controls over Shell Egg Inspections	We visited three shell egg producers at six locations in Ohio. We also interviewed the related Agricultural Marketing Service (AMS) officials for those producers and collected evidence. We also	Ongoing

Audit Number	Audit Title	Audit Work Performed in Ohio	Current Status of Audit
		held a teleconference with Ohio Department of Agriculture officials, but we did not request or collect any evidence from them.	
Related Fast Report 50601-0001-23(1)	USDA Controls over Shell Egg Inspections	Fast Report issued February 2011 related to the recall at Ohio Fresh Eggs. We interviewed AMS field staff and collected evidence from the Ohio Fresh Egg establishment, but the recommendations were directed to AMS Headquarters. No Ohio-specific recommendations were issued.	Issued February 2011
50703-0001-31	Supplemental Revenue Assistance Payments (SURE) Program – American Recovery and Reinvestment Act of 2009	Our review of SURE included fieldwork at the FSA State office in Columbus, Ohio, and an FSA county office in Salem, Ohio. We reviewed three statistically selected SURE Program payments to determine if the payment amounts were accurate.	Issued March 2012
85401-0001-11	Rural Development Financial Statements for Fiscal Years 2011 and 2010	We contacted the Ohio State office regarding three unliquidated obligation statistical samples; for direct loan confirmation statistical sample work, we contacted seven borrowers located in Ohio. We did not perform field confirmation work in the State, nor did we have any findings or recommendations specific to Ohio in our report.	Issued November 2011

WEDNESDAY, MARCH 7, 2012.

NATURAL RESOURCES AND ENVIRONMENT— DEPARTMENT OF AGRICULTURE

WITNESSES

HARRIS SHERMAN, UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT, DEPARTMENT OF AGRICULTURE

DAVE WHITE, CHIEF, NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE

MICHAEL YOUNG, BUDGET OFFICER, DEPARTMENT OF AGRICULTURE

INTRODUCTION OF WITNESSES

Mr. KINGSTON. The Subcommittee will come to order.

I want to say good morning to Harris Sherman, the Under Secretary of Natural Resources and Environment, and Dave White, Chief of the Natural Resources Conservation Service, and of course, the ever present Michael Young, who we would not be able to convene without.

OPENING STATEMENTS

Nearly 70 percent of the land in the United States exclusive of Alaska is held in private ownership by millions of individuals.

Fifty percent of the United States, 907 million acres, is in crop land, pasture land, and range land, owned and managed by farmers, ranchers and their families.

The NRCS works with these farm and ranch families to address soil, water, air, and wildlife concerns on their land.

Your work is critically important to maintaining the productive agriculture sector we are blessed to have in this country.

There are four other appropriation hearings taking place this morning, and it might be good news to you because some of the members might not be able to show at all, maybe you want to avoid them anyhow. You never know. [Laughter.]

Mr. KINGSTON. We look forward to your testimony. Mr. Farr, do you have any opening statements?

Mr. FARR. Yes, I do, Mr. Chairman. Thank you very much. Thank you, gentlemen, for being here.

[The information follows:]

Appropriations Agriculture Subcommittee
Department of Agriculture – Natural Resources and Environment
Congressman and Ranking Member Sam Farr
March 7, 2012

Opening Statement-

Good morning.

I want to recognize:
- Mr. Harris Sherman, Under Secretary, Natural Resources and Environment, Department of Agriculture
- Mr. Dave White,Chief, Natural Resources Conservation Service, Department of Agriculture
- Mr. Michael Young, Budget Officer, Department of Agriculture.

Thank you for being here. I also want to take the time to thank you for your efforts, and that of your staff, to protect and preserve our country's natural resources.

The Unites States is home to some of the most awe-inspiring natural environments in the world. From lush forests to pristine marine sanctuaries, these natural habitats have given Americans unique places to connect with the great outdoors.

Our nation also boasts an abundance of productive agriculture land, which has helped fuel our country's robust agriculture industry.

From the Great Plains, to the Central Valley and Coast of California, agriculture is feeding millions of Americans and numerous local economies.

But we know resources are not infinite.

What today are acres of productive agriculture land can tomorrow become an infertile wasteland.

Vibrant and nutrient rich waterways can become polluted and uninhabitable for wildlife and outdoor enthusiast.

And the water that we depend on can to easily become contaminated without the proper protocols.

Therefore, we all understand the importance of conservation, and the efforts the Department of Agriculture is spearheading to protect these vital resources.

We need to work with farmers to preserve farmland.

We need to invest to conserve and restore what has already been damaged.

And we need to do it a way that delivers results and clear measures of progress.

The actions we take today to preserve our natural resources will be defined by what we leave for our children and grandchildren.

It is up to us to decide what legacy we want to leave behind for future generations.

I am encouraged by the actions the Obama Administration has taken through the America's Great Outdoors Initiative to work with local and state agencies to not only preserve the outdoors, but to connect people with them.

This is a great step forward, and I am confident this will help generate the awareness and action we need.

But I believe there is more we can do. From increasing efficiencies to improving effectiveness, if we work together we can make scarce resources go a long way.

I hope that today, we can have a frank conservation on how we make that happen.

Thank you again for being here, and I look forward to your testimony.

Mr. FARR. Mr. Young is the poster child of USDA, and everybody thinks he is actually the Secretary because he is the one that is here all the time.

It is interesting that in all of the departments, we did Nutrition, it is small, but it is so important, as the Chairman pointed out.

This country—I fly across it every week. When I first came to Congress, I had been very involved in bottom's up land use management, best management practices, whether it is on private or public lands.

It just struck me as I fly across this country that the Forest Service and the Park Service cannot do it. They just do not have enough real estate. If we are going to try to sustain a rural community and rural lifestyle, we are going to have to sustain the land that it depends on. We are going to have to do it smarter than just sort of fighting nature.

Growers that I have found that have really enjoyed your services are the ones that have sat down—which so much of your testimony points out—it is about voluntary participation, since you bring the expertise, they bring the willingness to learn, and together, you get a lot done. It does not have to be in an onerous way of regulations and fines.

California could not survive as the great golden state that we are without agriculture. That means that most of the land in California is still in agriculture. Even though we have sprawled out cities, I find the best defense against sprawl, sprawl is not cost effective, we learned, to sprawl people all over and then try to build a sense of community, a transportation system that did not work because there were not enough people to use it and so on.

What we really need to do, and it is very difficult to get what we call "urban boundary lines," but if we can keep agriculture economically viable, so they stay there—one of my growers said Sam, I could make a killing selling my real estate in one night, but he said I think I can make a pretty good living for me and my family over many years by being successful in agriculture.

If we can show people there is sustainability and there is hope in the future for being in a rural community, and I think this committee has a lot to do with that, then it is going to take best management practices, how do we bring everything together, and show people that we do not need a stick, we need a lot more carrots.

Agriculture does carrots. We do not do sticks. That is the other side of your Department. That is the Forest Service.

I am indeed impressed. There are always more things to do. I am very impressed by the ability, and throughout your testimony, your discussion about voluntary participation and how effective that has been in getting the desired effect, whether it is habitat management—I will just end with a story.

I have a grower, Jack Varian, who I think is sort of the John Myers of cattle ranching. He owns about 19,000 acres in Southern Monterey County.

He invites people there all the time, a lot of regulators and politicians, just to see what he is doing. They only get three inches of rain a year. They grow cattle, found the cattle that the Mexicans originally brought in, the Spaniards brought into California. They still go to Mexico to buy those cows/calves, because they can graze on this very sparse land.

What he has done is he will not use any poisons. He does controlled hunting.

His point was you can make more money working with nature than working against her.

For example, he was talking about RU–40, which is a poison. We subsidize that poison in the Federal Government, allowing ranchers to buy it. One of the things they do is they poison ground squirrels because they dig holes and the cows break their legs in them.

When I was asking him whether he supported that program, he said why, why would you want to subsidize it. I said well, are not these ground squirrels a problem. He said oh, yeah, they are a big problem. I said well, what do you do about it.

He said well, I would never poison them. I use sharpshooters. I make money off them. They come here. They pay me money. The condition is they cannot use leaded bullets. They knock off these ground squirrels. They have to leave them right where they fall because that brings back the birds.

He said if we get enough raptors here, if we get enough owls and hawks and so on, they will take care of these ground squirrels, and I will not have to have this management program.

He goes on and on about bringing back the native grasses and everything. He says frankly, if you work with nature rather than fighting nature, because it is costly to put lots of herbicides and pesticides, costly to put poisons, costly to tear up the land, we will make more money in the long run than people who are having to spend all the money on that.

Then what he does is he has lots of ranch visits. Hopefully, Mr. Chairman, some day the Committee can go and see this. He is really quite a gentleman and has done, I think, a whole eco-development of a huge successful cattle ranch.

His five kids—there are 14 people who live in the town. They had one teacher for all five kids, from kindergarten through eighth grade.

They have all gone on to college and they have all come back. They are living on the ranch, and they are all making a living off eco-tourism, hunting, and raising cattle, and doing horseback riding.

The point is when I have been there, there has always been somebody that has come out to be the farm advisor for him, and they are working very closely with him.

I want to just say personally I have seen it work on the ground, and I really appreciate it.

Mr. KINGSTON. That sounds interesting. I am thinking about the political fallout of a ground squirrel shooting contest among members. [Laughter.]

I do not know if that would fly well with PETA. That would be interesting. What city is it? What is it near?

Mr. FARR. It is Southern Monterey County. It is actually right on the border of San Luis Obispo County, central part of California.

Mr. KINGSTON. We do need to get out there.

Mr. FARR. There is a big USGS center there. It is where the Pacific Plate and the North American Plate meet, the San Andreas

Fault. The USGS has all their earthquake measuring equipment there, I think more there than any place in the United States.

They do not need any people to operate it because it is all done seismically and satellites and other kinds of stuff. The school teacher is the one that makes sure the equipment is all running.

It is a nice place to stand and have your picture taken where you are straddling two continental plates. Parkfield, California. Look it up on Google.

Mr. KINGSTON. That is interesting.

OPENING STATEMENT

Mr. SHERMAN. Thank you, Mr. Chairman, and thank you, Congressman Farr. As I look to my left, I thank you, Mr. Secretary. Just kidding.

It is a pleasure to be here. I think what I would like to do is just briefly summarize my written statement before we get to Chief White's statement and then your questions.

Last month, Secretary Vilsack appeared before this committee. He noted the remarkable success of America's farmers. We have record farm income now. We have record exports. We have robust commodity prices.

The importance of America's agriculture is not only for this country, but it is international in scope.

Over the next 40 years, we will probably have somewhere around two billion additional people in this world. The production of food and food scarcity will be critical to meeting the challenge of feeding this number of people.

Conservation of our water, soil, and land is a key component of food production and food security.

Hence, the work of NRCS is vital to continuing the success of American agriculture.

As you mentioned, Mr. Chairman, one of the hallmarks of NRCS is voluntary incentive based conservation. Now, this is more important than ever. As we get into the intensification of production, the sustainability of agriculture, seeing new acres under cultivation, the work of NRCS is just critically important.

NRCS has responded to this challenge. We have a record number of acres in working land conservation over the last three years. We can later review these figures with you. They are very impressive.

At the same time, we have budgetary challenges. We must tighten our belt. We must find greater efficiencies, and we must focus our priorities more than we have in the past.

I know Chief White will address some of those challenges.

I wanted to spend a few minutes talking about several innovations that NRCS is bringing to what we call "21st Century Conservation."

One of these is a concerted effort to monitor, document and demonstrate the value of our programs. We must demonstrate what the results are. We must adjust our programs based on what we learn. We must show the American people that they are getting a return on their money.

One initiative that we have is called "CEAP," the Conservation Effects Assessment Project. This was begun back in 2003. In the last two years, we have seen the results of this program.

Recently, we have released four regional CEAP reports. One for the Great Lakes, one for the Upper Mississippi, one for Chesapeake, and one for the Ohio-Tennessee Basin.

The results of these reports demonstrate very graphically that voluntary conservation is working. We are seeing significant reductions of sediment in our streams and rivers. We are seeing sizeable important reductions of nitrogen and phosphorus.

These results are demonstrating that our application of conservation practices to the land are working.

Equally important, perhaps even more important, is that CEAP is pointing the way for us to how we maximize our efforts in the future.

CEAP is showing us how we can target hot spots, how we can apply a suite of conservation practices as opposed to random acts of conservation, and how we can maximize perhaps three to five fold what our earlier gains have been with conservation on the ground.

These are exciting changes, and they are making a difference.

Secondly, we are increasingly looking to broad landscapes to practice conservation on. In the last few years, NRCS has launched 15 landscape initiatives. Some of these related to water quality, some to wildlife habitat, some to individual wildlife species, like sage-grouse.

I think you are well familiar with the names of some of these, the Chesapeake landscape scale effort, the Upper Mississippi, the Bay Delta, the Gulf of Mexico, and so forth.

We tailor these landscape efforts to local concerns. We are very focused on working with producers, with conservation districts, with Non-Governmental Organizations NGOs, with states, to form partnerships, and we feel this effort on a landscape scale is working very well.

Thirdly, we are working with states and producers to explore so-called “certainty” or “safe harbor” programs.

These programs provide that voluntary conservation will occur with water quality and wildlife habitats. The farmers and the ranchers agree on a voluntary basis to implement conservation practices with the help of NRCS.

In return, farmers and ranchers are given assurances by the state or regulatory agencies that no further action is required for a given length of time.

This has the promise of reducing regulatory threats while allowing good conservation.

USDA will be supporting states and farmers with technical help and financial assistance in this area.

A fourth area I want to mention is related to certainty, and it is in the area of environmental markets or payment for environmental services, where farmers and ranchers are paid for achieving higher levels of conservation above the norm then billing and selling environmental credits to third parties who need to offset environmental impacts.

There are many recent examples of this. They are very impressive. I hope at some point we can talk to this committee about this today.

Let me just say that these programs of environmental markets bring improvements to the environment. They bring additional income to farmers and ranchers, and they lessen the burdens of Government with alternate sources of revenue.

I just simply want to say that we are again pursuing this strategic vision of ours of more conservation on the ground, building partnerships with producers, states, NGOs and others, and streamlining the process so it is easier to effectuate good conservation.

Thank you very much, Mr. Chairman.

[The information follows:]

Natural Resources and Environment
Statement of Harris Sherman, Under Secretary
Before the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Mr. Chairman and distinguished members of this Subcommittee, I am pleased to appear before you today to discuss the Administration's priorities for the Natural Resources Conservation Service (NRCS) and the 2013 Budget and program proposals.

The voluntary, incentive-based conservation work of the agency is as important now as it has ever been. When the Secretary of Agriculture testified before this Subcommittee in February, he emphasized the Administration's commitment to conservation and the benefits of these programs to creating economic opportunities, healthy landscapes, and a strong and resilient agriculture.

THE 2013 BUDGET PROPOSAL

The President's 2013 Budget proposes $3.9 billion for the Natural Resources Conservation Service (NRCS) working lands and other conservation programs. The budget will increase the record number of acres of working land in conservation programs, rewarding farmers, ranchers and growers for cleaning our air and water, preserving soil and wildlife habitat. The budget request proposes investments to leverage technical assistance funds through agreements with traditional partners, such as conservation districts, as well as with non-profit organizations and state and local agencies.

As part of the President's Plan for Economic Growth and Deficit Reduction the budget proposes a reduction in authorized levels for the Environmental Quality Incentives Program, which is expected to save $1 billion over 10 years. We also propose to allow the collection of fees to cover some of the costs of conservation planning assistance, which is estimated to collect $22 million in 2013 and could reduce appropriation needs in future years.

The 2013 Budget reflects difficult choices the Administration is making to control spending while strategically investing in conservation programs and initiatives that will build on the best science, encourage innovation, and gain efficiencies in delivering critical services to America's farmers, ranchers, and forestland owners.

BUILDING ON THE BEST SCIENCE

NRCS' success is rooted in the natural resource assessments, inventories, and technology that help put conservation solutions on the ground. Through the 2002 Farm Bill, Congress emphasized that USDA should be able to report on the benefits of conservation practices. In response, USDA initiated the Conservation Effects Assessment Project (CEAP) in 2003 to develop a scientific understanding and method for estimating the environmental effects of conservation practices on agricultural landscapes at national, regional, and watershed scales. CEAP is built on partnerships and working collaborations involving Federal agencies inside and outside of USDA, land-grant universities, state agencies, and nonprofit organizations.

The first CEAP assessment of the effects of conservation practices on cultivated cropland was released in 2010 (Upper Mississippi River Basin), and followed in 2011 by three additional reports (Chesapeake Bay Region, Great Lakes Region, and Ohio-Tennessee Basin). Common to all of these studies is that they document the strides that farmers have made in reducing sediment and nutrient losses from cropland, while also highlighting opportunities for conservation efforts to deliver greater benefits for farmers and ranchers, their communities, and the Nation as a whole.

These CEAP reports empirically illustrate that conservation is delivering intended benefits. Beyond describing conservation successes and continued areas for improvement, CEAP will be supporting our programs and policies, and helping to lay the foundation for improved program effectiveness.

ENCOURAGING INNOVATION

Over the past several years, NRCS has established new approaches to delivering conservation assistance through targeted geographic- and species-focused initiatives addressing some of our nation's most critical natural resource issues. The agency has pioneered efforts, working with state partners, to assist in developing regulatory certainty for farmers, ranchers, and forest landowners based on their voluntary conservation actions.

Landscape-scale initiatives are a perfect example of how conservation programs can respond to critical natural resource issues by merging science and program delivery, and targeting practices and geography to make a real difference on the landscape. Over the past few years, NRCS has initiated 15 landscape initiatives, focusing on a variety of regionally important resource issues from wildlife species such as the Greater Sage Grouse and Lesser Prairie Chicken to water quality in the Mississippi River Basin, Great Lakes, and Chesapeake Bay, and iconic landscapes such as the New England forests and North Central wetlands.

The Greater Sage Grouse Initiative focused in 11 western states, has been in place for nearly 2 years. Through that effort, USDA worked with the Fish and Wildlife Service to establish a certainty process to protect this iconic western bird, a candidate species for listing under the Endangered Species Act, while also preserving the ranching heritage that underpins the economy and the social fabric of the region. In 2010 and 2011, over 400 producers enrolled 1.7 million acres of land in conservation efforts to improve and protect habitat that is essential to the grouse and essential to the viability of ranching. The combination of conservation easements that protect large and intact working ranches and conservation measures that improve habitat are expected to yield population increases over time. For example, grazing systems implemented on 1.3 million acres are increasing hiding cover for nesting birds, which is expected to increase Greater Sage Grouse populations by 8 to 10 percent. Participating farmers and ranchers are provided certainty that they can continue to conduct these conservation practices, such as prescribed grazing, even if the bird is eventually listed under the Endangered Species Act; and the proactive efforts of farmers and ranchers are critical in precluding the need to list.

This approach is now being duplicated in five States where NRCS and its conservation partners are helping farmers and ranchers enhance, restore and protect habitat for the Lesser Prairie Chicken. This grassland-nesting upland bird is found in mixed grass, sand-sage and shinnery oak prairies of western Kansas, southeast Colorado, northwest Oklahoma, the Texas panhandle, and eastern New Mexico. Once widely distributed, the Lesser Prairie Chicken has experienced a 92 percent reduction in population since European settlement. As with the Greater Sage Grouse, many of the conservation practices that promote healthy grazing lands are also productive for this reclusive bird as well as other wildlife.

Certainty can take many different forms; from the "safe harbor" approach that has long been used for the protection of threatened and endangered species to newer models seeking to address water quality objectives. With our partners, USDA has been exploring opportunities to apply the concept successfully to improving water quality.

The United States has made great strides in improving water quality; however, "nonpoint" source pollution remains a significant challenge that requires policy attention and thoughtful new approaches. The President's Budget builds upon the collaborative process already underway among Federal partners to demonstrate substantial improvements in water quality from conservation programs by ensuring that USDA's key investments through Farm Bill conservation programs and related efforts are appropriately leveraged by other Federal programs.

In January 2012, the Secretary signed a Memorandum of Understanding with the U.S. Environmental Protection Agency and the State of Minnesota to support the State's development of a new program designed to increase the voluntary adoption of conservation practices that protect local rivers, streams and other waters. Through this partnership, producers who undertake a substantial level of conservation activities to reduce nutrient run-off and erosion will receive assurance from the State that their farms will meet Minnesota's water quality standards and goals during the life of the agreement. Establishment of this program will protect water resources by providing assurances and incentives to participating farmers that their good deeds – their strong commitment to conservation – will be recognized. Farmers will know the rules of the game while the state, EPA and the public will know that this program will lead to cleaner water. With similar examples from around the country, such as Michigan, Louisiana, and more recently Virginia, there is every reason to be confident that the Minnesota effort will be a success.

Environmental markets provide another promising tool for encouraging innovation and investment in conservation, improving accountability, reducing costs of restoration, and expanding economic opportunities. The 2008 Farm Bill provided direction to USDA to lead an interagency effort to explore opportunities for farmers, ranchers, and forest landowners to participate in environmental markets. USDA is facilitating work on market-based approaches in water quality, habitat, wetland, stream and shoreline restoration, marine markets and other applications. For example, USDA has formed an Environmental Markets Team to coordinate among Federal agencies, States and stakeholders in the development of water quality trading programs in the Chesapeake Bay watershed. In January 2012, USDA announced an effort to enhance the effectiveness of water quality credit trading by providing up to $10 million in Conservation Innovation Grants (CIG) for projects to help states and other partners develop robust and meaningful markets, with up to $5 million focused on water quality credit trading in the Chesapeake Bay watershed.

Through CIG, NRCS is also supporting local organizations in their efforts to pilot credit trading projects to achieve other locally important objectives. For example, in 2011, The Freshwater Trust in Oregon was awarded a CIG to demonstrate environmental market tools to benefit rural communities and farmers. The example starts with a temperature total maximum daily load (TMDL) in rural Oregon. The CIG project partners were able to finalize a first of its kind water quality trading program for a small utility that will help the utility meet the TMDL requirements and bring $10 million in new conservation funding to establish and improve riparian areas on working agricultural lands in the next 10 years. These conservation efforts cost significantly less than gray infrastructure and generate multiple environmental benefits such as improving habitat for birds and other species, reducing carbon in the atmosphere, stabilizing banks to control sediment and reducing runoff from agriculture and roads. Long-term, water quality trading programs could steer millions of dollars in compliance investment to producers, making conservation a more profitable component of productive farms, forests and ranches.

STREAMLINING CONSERVATION DELIVERY

The President's 2013 Budget proposal makes clear that while a strong commitment to conservation exists, we will need to find more efficient and effective ways to meet our customers' needs. NRCS is committed to managing effectively in this budget climate.

Consistent with the USDA Blueprint for Stronger Service, NRCS is taking a holistic look at its entire organization to identify opportunities to excel as a 21st century organization that can thrive through changing budgetary climates and ultimately put more conservation on the ground.

On January 9, 2012, the Secretary announced that NRCS would be closing 24 of its soil survey offices in 21 states. The purpose is to sharpen the focus of core mission areas of the National Cooperative Soil Survey Program and enhance organizational excellence by finding ways to become more efficient, effective, and scalable to adapt to changing budgets. This was not an easy decision to make; however, the plan will achieve better results for NRCS customers and create greater efficiencies for American taxpayers.

Through its Conservation Delivery Streamlining Initiative, NRCS is redesigning its business model and processes and identifying integrated IT solutions to make participation in USDA's conservation programs easier for customers and the delivery of programs less complex for employees. In February of this year, NRCS piloted two new tools designed around this streamlined approach:

(1) The Conservation Desktop will remove some administrative burden so that planners can spend more time in the field working with our clients. We estimate that this will eventually allow field staff to spend as much as 75 percent of their time in the field with clients.

(2) The web-based Client Gateway will allow our customers to work with NRCS at their convenience 24/7, to apply for programs; start the process of checking their eligibility; evaluate plan alternatives, view plans, maps, and contracts for their farm; and eventually sign many documents. We estimate that this could save our clients over 750,000 hours annually in travel time and document management tasks. The Client Gateway will eliminate the need for a client to visit our offices to do business with NRCS.

Nationwide release of these two tools is planned for the end of 2012, while nationwide rollout of Mobile Planning technology is expected in late 2013. Mobile Planning will mean that our conservationists will have access to all the data and tools they need while in the field with the client. By eliminating duplicate data entry and extra trips, NRCS will significantly enhance the timeliness of program delivery, and create the equivalent of 1,200 additional staff years in field assistance to customers.

CONCLUSION

Mr. Chairman, I believe that the President's 2013 Budget for NRCS includes a thoughtful balance of deficit reduction measures and sound investments in private lands conservation. It will stimulate and encourage partnerships that will leverage the Federal investment in conservation, while stimulating the development of new tools and approaches. The budget enables NRCS to continue fulfilling its historic commitment to providing assistance to farmers, ranchers and forest landowners. In addition, NRCS will continue to explore new approaches to fully take the agency and private lands conservation into the 21st century.

Thank you for the opportunity to be here today to discuss the President's 2013 Budget for NRCS. I would be happy to respond to any questions from the Subcommittee Members.

Mr. KINGSTON. Thank you, Mr. Secretary.

Mr. White.

OPENING STATEMENT

Mr. WHITE. Greetings, Mr. Chairman, Mr. Ranking Member, Mr. Bishop. How are you?

It is a pleasure to be here. You know, we have made remarkable progress since the 1930s in being able to bring back land to make it productive and to protect our resource base.

As some of you have already mentioned, we face a lot of challenges today. The population is going to increase. We are going to need increased productivity from the land. While we are doing this, we are also seeing Federal resources go down.

How do we do this in a climate where the budgets are going to be flat or go down, and can we meet the challenges, can we do it sustainably? Can we have clean air, clean water, abundant wildlife and a healthy environment?

I think we can. It relates to what you said, Mr. Chairman, what you said, Mr. Farr. We have to streamline and be more efficient. We have to be smarter in how we do these programs.

I am not going to detail the program by program numbers that is in the testimony, but I would like to visit three areas where I think we can meet these challenges.

First, we need to emphasize the operational and technological improvements. Right now, we are undergoing a reorganization of our Soil Survey Program. We will be closing 24 offices by the end of this fiscal year, but we are going to do it in a manner that preserves the delivery of services and is fair to employees.

In fact, I do not understand a lot of the hoopla over office closings. Last year, NRCS closed 375 Resource Conservation and Development RC&D offices. It was painful. It was hard. We did it quietly with no fanfare. We know now that 70 to 75 percent of the RC&Ds will survive and still be out there as our partners.

We had to deal with 400 people or more. As of last Friday, all but five who have pending job offers have been placed in other positions.

We can do this stuff. We need to look broader. We need to look at the field office structure.

Last week, I sent out a letter co-signed by the President of the National Association of Conservation Districts. We are asking our states to look at the field offices, tell us what you need, how should you be strategically aligned. What kind of services should we be providing? What kind of equipment?

We are expecting those plans in September, and it could very well result in future office closings in subsequent fiscal years, but if it does, please know it is going to be part of an open, transparent, collaborative and inclusive process.

Mr. Chairman, we made good progress this year on our financial audit. You questioned me about that last year. We went from seven material weaknesses and dropped down to five. We hope to make more progress this year. In 2013, God willing, we will have a clean audit.

We are also making progress in making it easier for our customers to access the programs, and making it easier for people to administer them.

We have two software programs out now for pilot testing, which we hope to fully operationalize in October.

One is the Client Gateway, where people can stay at home, they can look at their plans, they can apply for a program. They can schedule an appointment. They can do everything over the Web if they so desire.

We estimate it is going to save farmers and ranchers at least 750,000 hours a year, that they will not have to drive into town to come visit an office.

For our own people, we have a conservation desktop which is going to remove a lot of the administrative burden from our people and computerize it or move it to other locales.

We think we can free up 75 percent of our field people's time so they work with farmers and ranchers.

The second area is we need to continue leveraging and building partnerships. We need to bring more partners to the table, not just to increase our financial resources, but also to increase the boots on the ground.

Mr. Farr, you mentioned the need to have people. We need more boots on the ground, but it does not necessarily have to be a Federal foot in that boot.

We have a lot of partnerships around the country, working with Ducks Unlimited, Pheasants Forever, state agencies that are increasing our reach and working in harmony side by side with us.

We took $20 million last year and turned it into $32 million through cooperative agreements with other entities.

This year we have a special project with the National Fish and Wildlife Foundation, $10 million. We are hoping to at least double that, perhaps triple that, and it is all going to be targeted towards assistance to the field.

The third area is to continue our commitment to getting conservation on the ground. All these efficiencies must not get in the way of serving our clients and helping our producers.

Under Secretary Sherman mentioned the value of the working lands. They produce our food and fiber, homes for our wildlife. They sustain our nation.

We are enrolling tremendous amounts of land in there. We have to double down on our efforts to work in key geographic areas like the Longleaf Pine Forest, the Ogallala Aquifer, Chesapeake Bay, the Bay Delta, California.

We have to step up our assistance to the farmers and ranchers with species preservation, like sage-grouse and prairie chicken.

New science, where we can get a lot bigger bang for the buck.

As we look ahead to 2013, I see this as an opportunity to advance conservation progress and do it with a responsible budget.

Thank you, sir.

[The information follows:]

Natural Resources Conservation Service
Statement of Dave White, Chief
Before the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Mr. Chairman, thank you for the opportunity to appear before you today to discuss the Administration's 2013 Budget proposal for the Natural Resources Conservation Service (NRCS).

NRCS staff and partners had a record year in conservation program delivery in 2011. Over 190,000 customers received assistance with conservation planning and implementation. More than 27 million acres were enrolled in conservation programs administered by NRCS. We stepped up landscape-scale conservation initiatives that are delivering results in the Chesapeake Bay watershed, the Mississippi River Basin, and the range of the Greater Sage Grouse. New science helped us to focus work in areas where we will generate 3-to-5 times the natural resource benefits of more general approaches and improve our conservation tools in the coming years. As we continue this important conservation work in 2012, we are looking to 2013 and opportunities to sustain conservation gains in concert with a responsible budget.

The President's 2013 Budget – Discretionary Funding

The President's 2013 Budget was developed considering all of NRCS's programs and operations and prioritizing limited resources. It reflects a number of difficult decisions made to support the President's goals of reducing the budget deficit and improving program delivery.

Conservation Operations

Conservation Operations (CO) provides technical assistance supported by science-based technology and tools that help people conserve, maintain, and improve natural resources. The major program components are Conservation Technical Assistance (CTA), Soil Survey, Snow Survey and Water Supply Forecasting (SSWSF), and Plant Materials Centers (PMC).

The President's 2013 Budget for CO proposes funding of $827.5 million – $728.8 million for CTA, $80 million for Soil Survey, $9.3 million for SSWF, and $9.4 million for PMCs. The 2013 Budget also proposes collection of fees to cover some of the costs of planning assistance through CTA. In 2013, estimated collections from this proposal are $22 million, which could reduce appropriation needs in future years.

Watershed and Flood Prevention Operations Program

The Watershed and Flood Prevention Operations (WFPO) program authorizes the Secretary of Agriculture to assist State and local governments and Tribes in planning and installing watershed projects. The 2013 Budget does not include funding for the Watershed and Flood Prevention Operations Program, or Watershed Operations (P.L.78-534) and Small Watersheds (P.L.83-566).

Watershed Rehabilitation Program

The Watershed Rehabilitation Program brings aging dams into compliance with applicable standards or decommissions the dams so that they do not pose a threat to life and property. NRCS assistance for the planning, design, and implementation of rehabilitation projects may include upgrading or removing the dams. Operation and maintenance of dams built under

WFPO is the responsibility of the project sponsors. In 2011, 15 dams were rehabilitated and 14 rehabilitation projects are currently under construction. There were 654 ongoing assessments of the condition of high hazard dams and rehabilitation alternatives for those dams that do not meet Federal safety standards. In 2012, $15 million was appropriated for the Watershed Rehabilitation Program. The 2013 Budget does not include funding for this program.

Water Bank Program

The Water Bank program objectives are to conserve water, wetlands, waterfowl habitat, and recreational and environmental benefits for the Nation. In 2012, $7,500,000 was appropriated to the Water Bank Program, to remain available until expended. The 2013 Budget does not propose funding for this program.

Resource Conservation and Development

The Resource Conservation and Development (RC&D) Program encourages and improves the capability of State and local units of government and non-profit organizations in rural areas to plan, develop, and implement programs for resource conservation and development. Following the 2011 termination of NRCS assistance for this program, NRCS closed all of its 375 offices; 140 employees opted for early retirement or voluntary separation, and all remaining RC&D employees received reasonable reassignment offers.

Food, Conservation, and Energy Act of 2008 – Mandatory Funding

The President's 2013 Budget includes $3.2 billion in funding for NRCS-administered Farm Bill programs and an additional $108 million for Conservation Reserve Program technical assistance.

Wetlands Reserve Program

The Wetlands Reserve Program (WRP) provides technical and financial assistance to restore, protect and enhance valuable wetland ecosystems, including associated habitats such as uplands, riparian areas, and forestlands. The goal of WRP is to achieve the greatest wetlands functions and values on every acre enrolled in the program through easements and long-term agreements on eligible farmlands and 30-year contracts on Tribal lands.

During 2011, NRCS enrolled a total of 200,186 acres in WRP in 1,139 projects. Of these, the majority were easements (139,904 acres in 708 permanent easements and 59,230 acres in 30-year easements). Also in 2011, nearly 132,000 acres of wetlands associated with prior year WRP easements and contracts were created, restored, or enhanced.

The 2013 Budget includes $224 million in mandatory funding for financial and technical assistance for the Wetlands Reserve Program to support monitoring, restoration and maintenance of easements and contracts enrolled before September 30, 2012. Authority to enroll new acreage expires at the end of 2012 and is not assumed to extend in the 2013 Budget.

Environmental Quality Incentives Program

The Environmental Quality Incentives Program (EQIP) provides financial and technical assistance to agricultural producers to help them address environmental challenges and maintain or improve the condition of soil, water, air, and other natural resources.

In 2011, EQIP financial assistance obligations by States reached over $871 million in 38,352 contracts covering an estimated 13.2 million acres. These funds also supported projects in initiatives such as air quality, on-farm energy audits, migratory bird habitat, and the Mississippi River Basin Initiative, and projects that emphasize environmental protection and agricultural production as compatible goals. For example, NRCS provided $34 million through the national Air Quality Initiative to help producers in nine states treat 168,000 acres in designated non-attainment areas to meet requirements of the Clean Air Act.

The 2013 Budget includes $1.403 billion in mandatory funding for financial and technical assistance for the Environmental Quality Incentives Program. The 2013 Budget also includes a legislative proposal to reduce EQIP funding by $100 million per year from currently authorized levels, or about $1 billion in budget authority over 10 years.

Agricultural Water Enhancement Program

The Agricultural Water Enhancement Program (AWEP) promotes improved ground and surface water conservation and water quality by leveraging the Federal investment with services and resources of other eligible partners. AWEP addresses serious surface and ground water shortages as well as water quality concerns in many agricultural areas.

In 2011, NRCS obligated $59 million in 1,300 contracts to implement conservation practices on nearly 250,000 acres of agricultural land. Partners exceeded the Federal investment by providing nearly $90 million in technical and financial assistance. NRCS approved eight new project areas in 2011, and continued support for 91 project areas approved since 2009.

The 2013 Budget includes $60 million in mandatory funding for financial and technical assistance for the Agricultural Water Enhancement Program.

Wildlife Habitat Incentive Program

The Wildlife Habitat Incentive Program (WHIP) promotes protection and improvement of wildlife habitat on private agricultural and nonindustrial private forest land, and Tribal land. By prioritizing specific geographic areas, WHIP is able to target financial and technical assistance funds to habitats to benefit specific declining wildlife species such as the Greater Sage Grouse.

In 2011, NRCS obligated almost $61 million in financial assistance to enroll almost 850,000 acres in WHIP. Forty-six of these contracts at over $4.4 million are with American Indian and Alaskan Natives participants to benefit habitat for culturally important species.

The 2013 Budget includes $73 million in mandatory funding for financial and technical assistance for the Wildlife Habitat Incentive Program.

Farm and Ranch Lands Protection Program

The Farm and Ranch Lands Protection Program (FRPP) provides assistance to keep productive farm and ranch lands in agricultural uses. Agricultural lands enrolled in FRPP are protected from conversion to non-agricultural uses, and remain productive and sustainable sources of food, feed, and fiber for the Nation. FRPP also supports the President's *America's Great Outdoors* initiative by preserving the natural landscape features and encouraging the continued agricultural uses of the lands.

In 2011, approximately 82 new FRPP cooperative agreements were entered into with partners. NRCS and its partners enrolled 301 parcels with an associated 212,668 acres through cooperative agreements.

The 2013 Budget includes $200 million in mandatory funding for financial and technical assistance for the Farm and Ranch Lands Protection Program.

Conservation Security Program

The Conservation Security Program provided financial and technical assistance to producers for the conservation, protection, and improvement of natural resources on tribal and private working lands. Under the 2008 Farm Bill, NRCS is not authorized to enter into new Conservation Security Program contracts but continues to make payments to producers with contracts from prior years. The 2013 Budget includes $183 million in mandatory funding for the Conservation Security Program to provide program payments under prior contracts.

Conservation Stewardship Program

The Conservation Stewardship Program (CSP) provides technical and financial assistance to help producers go beyond existing conservation and deliver new environmental benefits in an environmentally beneficial and cost-effective manner. CSP is available through a continuous sign-up process, with announced cut-off dates for ranking and funding applications. Applications are evaluated relative to other applications addressing similar priority resource concerns to facilitate a competitive ranking process among applications that face similar resource challenges.

In 2011, NRCS obligated more than $508 million in financial assistance funding, of which $190 million was for new CSP contracts. In total, CSP contracts cover over 37 million acres, which will lead to more productive working lands, improved water quality and energy efficiency.

The 2013 Budget includes $972 million in mandatory funding for financial and technical assistance for the Conservation Stewardship Program to enroll 12 million acres and support the existing enrollment.

Grassland Reserve Program

The Grassland Reserve Program (GRP) helps landowners and operators restore and protect rangeland, pastureland, and other grassland while maintaining the land's suitability for grazing. Participants limit future development and cropping uses of the land, and conduct common grazing practices and operations related to the production of forage and seeding. During 2011, 202,362 acres were enrolled in the program with about $70 million in financial assistance funding. Approximately 60 percent of funds went to easements and 40 percent to rental contracts.

The 2013 Budget includes $5 million in mandatory funding for financial and technical assistance for the Grassland Reserve Program for acreage enrolled before September 30, 2012. The program's authority to enroll new acres expires at the end of 2012.

Agricultural Management Assistance

The Agricultural Management Assistance (AMA) program provides financial assistance to agricultural producers to adopt conservation measures that improve water management, water quality, and control erosion. In 2011, approximately $6 million was obligated in 275 contracts covering 7,869 acres. The 2013 Budget includes $2.5 million in mandatory funding for the Agricultural Management Assistance program.

Chesapeake Bay Watershed Program

The Chesapeake Bay Watershed Program (CBWP) helps agricultural producers to improve water quality and quantity, and restore, enhance, and preserve soil, air, and related resources in the Chesapeake Bay Watershed. NRCS implements CBWP through the various conservation programs authorized by subtitle D, Title XII of the Food Security Act of 1985. In 2011, NRCS approved more than 1,700 contracts for more than $60 million in financial assistance to treat an estimated 243,544 acres of high priority agricultural land.

The 2013 Budget includes $50 million in mandatory funding for financial and technical assistance for the Chesapeake Bay Watershed Program.

Healthy Forests Reserve Program

The Healthy Forests Reserve Program (HFRP) assists landowners in restoring, enhancing, and protecting forest ecosystems to: 1) promote the recovery of threatened and endangered species;

2) improve biodiversity; and 3) enhance carbon sequestration. During 2011, NRCS received 215 HFRP applications. Of these applications, 43 were enrolled, encompassing 22,995 acres.

Authority for mandatory funding for this program expires at the end of 2012. The 2013 Budget does not include funding for the Healthy Forests Reserve Program.

Voluntary Public Access and Habitat Incentive Program

The Voluntary Public Access and Habitat Incentive Program (VPA-HIP) provides grants to state and tribal governments to encourage private landowners to make their land available for wildlife-dependent recreation, including hunting or fishing under a program administered by State or tribal governments. Authority for mandatory funding for VPA-HIP expires at the end of 2012. The President's Budget requests $5 million in funding for NRCS to administer VPA-HIP.

Conclusion

The President's 2013 Budget proposes funding to continue the Nation's important conservation work. It reflects difficult choices to prioritize limited resources that will allow NRCS to fulfill its mission for America's farmers, ranchers, and forestland managers.

Thank you for the opportunity to be here today to discuss the 2013 Budget for NRCS. I am happy to answer any questions from the Subcommittee members.

PROPOSED LEGISLATION

Mr. KINGSTON. Thank you, Mr. White.

Mr. Sherman, the President's budget requests nearly $33 billion in savings over ten years from changes to mandatory farm programs, including the elimination of payments, savings from crop insurance, reduction in the acreage cap for the Conservation Reserve program—CRP—a $100 million per year reduction in environmental quality incentive programs.

My question is were you in on this decision and what is your view of it? What do you think about this proposal?

Mr. SHERMAN. Well, there has been extensive discussions within USDA on how we engage in tightening our belts, how we respond to the deficits that we need to bring down, which are not sustainable.

We have talked about what are the best tools to get a better handle on these challenges. To that extent, yes, we have discussed what types of programs could be reduced in certain ways, again, trying to maximize the benefits that these programs provide.

We have been involved in a general sense in these discussions; yes.

WETLANDS RESERVE PROGRAM

Mr. KINGSTON. What would the changes in the Wetlands Reserve Program be? What are the suggestions?

Mr. SHERMAN. Well, in the Wetlands Reserve Program—WRP—we have the issue of how we re-authorize, adding new lands to the base. Because those lands are not currently re-authorized, we are engaged now, through our budget, in maintaining those wetlands and monitoring the progress on those wetlands.

As you will see from our budget, there is a very significant reduction in the amount of monies that would be allocated to WRP.

Mr. KINGSTON. Do they come out of enrollment? Does the acreage come out? What would happen? Just kind of walk me through. If you are a farmer who wants to be in the program, you might not be able to get in it, or if you are a farmer who is in the program, you might lose it? Or is it you still could get it but we are going to change the criteria for qualifications?

Mr. SHERMAN. Well, my understanding is that there is a limitation on the number of acres that can go into the program. Until Congress decides to allow an increase in the number of acres, we are pretty much at the cap.

Our efforts will be focused on how do we work with producers to maintain those wetlands, to monitor those wetlands, to make sure they are performing the functions that wetlands perform.

In terms of adding new acreage, lifting the cap, we are at about 2.5/2.6 million acres, I think, right now that is the maximum limit we can pursue.

Mr. KINGSTON. The reform is just a cap; is that correct?

Mr. SHERMAN. Well, the reform here, we are talking about what we can do under the proposed budget, and under the proposed budget, again, our efforts will be to maintain and to preserve these wetlands that we have under the program.

ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

Mr. KINGSTON. What about EQIP?

Mr. SHERMAN. With EQIP, the proposal, and this would be a statutory change, would be to reduce the EQIP budget by $100 million a year for a savings over a ten year period of $1 billion.

The effect of that is clearly to reduce the level of activity that we would have under EQIP. My guess is if you take it from $1.4 billion and you take $100 million off that, you are probably talking about something like a seven percent reduction in the budget that would be allowed under EQIP.

The effect of that is it will delay in certain cases work that needs to get done. We will again tighten our belts. We will try to find ways to have greater efficiencies.

My guess is there will be some reduction in the work that we would normally do under EQIP.

Mr. KINGSTON. It is not major program reform as much as a haircut of seven percent?

Mr. SHERMAN. That is my understanding.

Mr. KINGSTON. Okay. I think my time is about up. Mr. Farr.

Mr. FARR. I want to follow up on that question on EQIP. Why not work with states that really have strong zoning practices?

It seems to me a lot of the EQIP payments go to farmers to not farm on lands because of riparian vegetation, because of habitat, endangered species, that they should not be farming on anyway. It just ought to be the land use practices.

I know in California, we prohibit that. You do not get paid for doing what is sensible to do and otherwise required.

If you are going to take a cut in the program and have to look for incentives, why not incentivize the states, give them a carrot, if you do not start adopting your own best management practices, land use practices, we are not going to be giving you the money? That is a way to create the incentives.

Mr. SHERMAN. Congressman, I think we need to try a variety of approaches. I agree with you that educating and working with state and local governments on better land use practices——

Mr. FARR. We are the largest ag state in the nation and we have the most land in agriculture. We have a very small percentage of EQIP money compared to the size of the state.

I think we frankly told our people to do things that they would not otherwise be able to do. I think you ought to work with states and counties that are leading that.

CONSERVATION EFFECTS ASSESSMENT PROJECT

Let me ask you another question. I noticed in talking about your conservation assessment project, you mentioned Upper Chesapeake and Upper Mississippi, Chesapeake Bay, Great Lakes, and Ohio-Tennessee.

I noticed you really have no ocean land on there. I would strongly suggest that you take a look at the Monterey Bay region. We have nine counties that are involved in a voluntary program to deal with the entire water monitoring of everything that flows, whether it is from agriculture practices or in natural streams, ditches, gullies, everything.

Like the Audubon Bird count, we go out and do water quality called the "First Flush," after the first rain, to monitor what is in the water.

We have NOAA involved. We have Fish and Wildlife involved. We have marine sanctuaries involved. We have lots of Federal agencies involved.

I would very much appreciate if you could assess the effects of the conservation practices on all of this cultivated land. It is the largest water monitoring project in the United States, I think.

You have been funding it to get it started. It is very exciting. We are not being assessed as these other areas are. I would like you to take a look at it.

Mr. SHERMAN. We would be happy to take a look at it.

Mr. FARR. There are a lot of Federal partners, it would be helpful to get their participation financially in it.

Mr. SHERMAN. We would be happy to take a further look at that and talk to you about that.

I will say in the Gulf of Mexico, this is one of our landscape scale initiatives, and we are doing a variety of things in the Gulf States that relate to the various issues that you are raising.

We will take a look at the Monterey Bay area. I know the America's Great Outdoors Program has increasingly focused on this area. I agree, it is a very important area.

WATER QUALITY

Mr. FARR. Thank you. Let me ask, you have talked about improving water quality in testimony and the President's budget builds on a collaborative process already underway.

What jurisdictional relationship do you have with agencies like the California Water Quality Control Board?

Mr. SHERMAN. I think Chief White could better give you the answer. We are working with water quality——

Mr. FARR. Is that under your jurisdiction or EPA's?

Mr. SHERMAN. Well, we are working on certain types of projects. I mentioned the certainty approach we were exploring. Obviously, they are working with state water quality agencies in figuring out ways we can deal with issues related to nutrient and——

Mr. FARR. I would like to work with you because our regional Water Quality Control Board is now turning into a regimented regulatory board, which is contrary to everything you have been doing and everything we have historically been doing, everything I just talked about previously.

I am very concerned about the direction they are headed, and I would like to work with Federal agencies that have something to do with that. They need a tough talk.

My time is up. The second time around, I will ask the other questions. Thank you, Mr. Chairman.

Mr. KINGSTON. Mr. Bishop.

Mr. BISHOP. Thank you very much. Let me welcome all of you to the hearing this morning. Thank you for your service.

It is especially good to see you, Mr. White. Georgia, Southwest Georgia, I hope they have been very, very educational for you as you discharge your duties.

WATERSHED REHABILITATION

I have a couple of questions pertinent to my area of Georgia. As of September 30 of 2011, Georgia had 12 dams that were funded for rehab under the Watershed Rehabilitation Project. To date, only nine of those dams have been rehabilitated.

The President's budget does not fund the Watershed Rehab Project. Will this impact the commitments for the dams that have not yet been rehabilitated?

Mr. WHITE. Yes, sir. It will. The President's budget does not request funding for this, Mr. Bishop.

Our country made a significant investment in watershed construction back in the 1950s and 1960s. We have 11,000 structures out there, about 2,000 of them are classified now as high hazard. Many of them are reaching the end of their life span.

I think in the whole area of watershed rehabilitation what we are going to do is a critical infrastructure question in America that really should be part of a larger discussion, because to really go back and look at all these projects that are working now and the benefits they are providing, we are really talking probably billions of dollars to go back and make sure this infrastructure continues to function.

Mr. BISHOP. That is obviously going to present a problem because the states' resources are even more limited. I understand there is some responsibility there with the states. That is going to create some hazards also with the dangers of the infrastructure not being repaired and having deteriorated over the life.

PROPOSED LEGISLATION

Beyond the proposed cuts of $23 billion to USDA, the President's plan for economic growth and deficit reduction includes cuts to reduce the deficit by an additional $32 billion over the next ten years.

The deficit reduction plans reduce EQIP funding by $1 billion over ten years, and reduces CRP funding by $2 billion over ten years.

I understand there are difficult decisions that have to be made in order to reduce the deficit, but do you feel that these cuts undermine the long term value of our conservation programs, and do you think cutting them will ultimately cost us dearly in the future?

Mr. WHITE. You are referring to the President's $32 billion cut from the Farm Bill programs. I think there are really three places you can get money in the Farm Bill, the commodity title, the conservation title, and the nutrition title.

As you look at $32 billion, and I will speak parochially, a $1 billion cut is pretty much a haircut, as Mr. Kingston said.

I think we can absorb that in EQIP, still do a good job, maybe do a better job of targeting. I think it is a pretty light touch on conservation.

CONSERVATION RESEARCH

Mr. BISHOP. Thank you. Glad to know that. I have received a significant amount of feedback from a number of our producers in

Georgia encouraging further investment in ARS research related to drought tolerant plants and water conservation techniques.

The National Peanut Lab in Dawson, Georgia has been very, very successful with research of this kind.

Are there any comparable conservation programs or grants that will facilitate similar research, and does NRCS work with ARS in any capacity to ensure conservation is supported by adequate research dollars?

Mr. WHITE. ARS is one of our key partners, sir. NRCS is not a research organization. We are applied science at the local level, hopefully in an understandable way.

We work with ARS on the Conservation Effects Assessment Project that the Under Secretary talked about. It is deeply intertwined with the state land grants and ARS. They are the ones who are really doing the research and providing the information for us.

We have conservation innovation grants that can take research from the lab and bridge that Valley of Death to make it practical to apply, and as you know, we also have several projects in your area like Flint Creek, where we are working very hard with local people on water conservation measures.

Mr. BISHOP. I guess my time has expired.

Mr. KINGSTON. It has. We will have a second round. Mrs. Lummis.

SAFE HARBOR APPROACH

Mrs. LUMMIS. Thank you, Mr. Chairman. It is nice to see you this morning, Mr. Sherman, Mr. White.

There is a very significant project, as Mr. White is aware, in the 11 western states dealing with sage-grouse. This NRCS initiative is designed to keep that species off the endangered species list, and to increase and protect grouse habitat.

There is a safe harbor approach that is being used.

I can just jump right to my question. How do you see the safe harbor approach applying to water quality programs, and do you expect it to provide guarantees from both the state and Federal Governments?

I understand that you really are looking at the safe harbor approach for different programs at USDA.

I am curious about how that is going, how you see them playing out.

Mr. WHITE. Representative Lummis, you know, on the sage-grouse, we work with producers. They address the threats to sage-grouse. The Fish and Wildlife Service is saying even if the bird is listed, they do not have to do anything else. They have done what they are going to do, so they are going to be able to operate.

We are calling it the “concept of certainty” to put the black helicopters in the barn, do away with them.

This concept, we are trying to apply that to the Clean Water Act, but there are two key things here. One, the Federal Government acting through EPA has no regulatory authority. Non-point sources are exempt. EPA cannot do anything.

The only entity that has authority to regulate a non-point source, should they choose to do it, is the state agency.

What we are trying to do is work with states, and if they want to do it, it would be their programs. We are willing to assist them to work with producers, identify their water quality issues, develop a plan to address them, help them finance that plan, and in return, the state, not the Feds, would say okay, rancher Lummis, you do all this, we are going to give you a ten year pass from any future regulation.

It is really—this may not be politically correct—I'd kind of like to make the regulators into the Maytag repairman. It would really be to protect and make sure that our farmers and ranchers continue to farm and ranch without the fear or pressure of some regulatory hammer hanging over their head.

Mrs. LUMMIS. I think that is politically correct. It resonates with me.

GRASSLAND RESERVE PROGRAM

With regard to the Grassland Reserve Program, what would be the advantages and disadvantages of allowing private land trusts to get trans-section expenses paid for, like the NRCS?

Mr. WHITE. I think it would be fine. That should be something I would hope the House and Senate Ag Committees will take up in the re-authorization.

There is a limited way to do that in the grassland. We can transfer to a third party entity, but we cannot pay the same as the Farm and Ranch Lands Protection Program.

PROPOSED USER FEES

Mrs. LUMMIS. Thank you. I want to ask a question about conservation user fees. There seems to be a contrast in the goals of the NRCS getting contracts out the door or providing technical advice to implement voluntary conservation projects.

Is the goal shifting towards number of acres instead of—is it quantity or quality? Is there a bias one way or the other?

Mr. WHITE. My bias would be towards quality.

Mrs. LUMMIS. Is there a way to play out your bias on the ground?

Mr. WHITE. Yes, ma'am. Under Secretary Sherman mentioned the science that we are learning from the Conservation Effects Assessment Project. We can be three to five times more effective by targeting the right acres, working in the areas that have the biggest impact, which would make our funds go further and would have more of an impact on the resource base.

CONSERVATION PROGRAM CONSOLIDATION

Mrs. LUMMIS. Thank you. With regard to conservation consolidation, the consolidation of the programs that were proposed by the Ag Committee to the Super Committee and then they did not act on, they would have consolidated 23 conservation programs into five.

We do not know where that is headed going forward. What are your opinions about that? Have you taken action towards consolidating at the Agency level, and do you think that could produce some efficiencies, technical assistance?

Would it be more useful if it was coming from a few programs instead of 23?

Mr. WHITE. Yes, ma'am. I very much believe so. I have a contrarian view of the House and Senate Ag Committees. I thought they did really well. They should not have been criticized for the secret Farm Bill.

I never saw the final version. People from USDA, including myself, were brought up and consulted.

I think what Senator Stabenow, Senator Roberts, Representative Lucas, and Representative Peterson accomplished in the way of streamlining programs in that draft language or what they prepared, I think it really went a great way towards simplifying it and making us more efficient.

Every program has to have its own rules and everything. If you can narrow that down and still keep the same flexibility and the same tools, I think it is so much better.

Mr. SHERMAN. If I can, I wanted to simply add that it is not only to make life easier for the producer, because this alphabet soup of programs is very complicated. It is also to help our staff understand these programs, and to have them implement the programs.

The 23 different programs, if you look at the easement programs or you look at the conservation programs, they are not all that different. Yet, we have these very unique little niches in each program that adds enormous confusion to what we are doing.

Consolidating them, making them simpler, making them more user friendly would be very helpful.

Mrs. LUMMIS. Thank you.

Mr. BISHOP. Will the gentlelady yield?

Mrs. LUMMIS. I will yield.

CONSERVATION DELIVERY STREAMLINING INITIATIVE

Mr. BISHOP. Is this the same program as your conservation delivery streamlining initiative?

Mr. WHITE. That is one of the efforts we are undertaking to improve the programs.

Mr. BISHOP. You do not know how that compares to what the Super Committee—what the Ag people did for the Super Committee?

Mr. WHITE. Apples and oranges. We are taking EQIP and trying to make it—all the programs operate better in the field offices, stripping out the administrative burden, making them more effective.

The House and Senate Ag Committees will underwrite the policy framework under which this could be carried out.

Mr. KINGSTON. The gentlewoman's time has expired. I wanted to make sure I understood Mr. Bishop's question. He said in terms of the streamlining of these conservation programs, that is not in your testimony, is it?

Mr. WHITE. No.

Mr. KINGSTON. There is a proposal?

Mr. WHITE. For three years, we have been working on this. Maybe "streamlining" the program is not the right term. It is streamlining our business processes, looking at how we conduct business.

Right now, you apply for EQIP. We take your application and then we batch them all and at some date, we are going to rank them. Then we are going to talk to you about do you still want to do it.

One of the things we hope to do through the mobile planning software we are going to put out in two years probably, is when you are in the field with that producer, if you are in a high priority, like Monterey Bay or Longleaf Pine, Flint River, or Chesapeake Bay, sage-grouse, why can we not do a contract then and there?

Why do we have to wait months and do batching? It is more like talking about streamlining our business process. We are not messing with the statutory requirements.

Mr. KINGSTON. I just wanted to make sure we all understood this.

FINANCIAL AUDIT

I am not going to ask you about your audit. You are saying of the seven criticisms, you have done five of them, and you have not resigned, which is what you had promised last year, and we are going to have a clean audit next year.

Is that what you testified to?

Mr. WHITE. We had seven material weaknesses. We were able to move two of them off. We still have five. We are hoping to get a couple more. The only bubble, I think, is we are going to have to convert to a completely new financial management system, and there could be some bubbles as we move from the Foundational Financial Information System—FFIS—to the Financial Management Modernization Initiative—FMMI as people become familiar with it.

So until we get that, but I think we are going to get there, Mr. Kingston.

PIGWEED

Mr. KINGSTON. All right. Now, Mr. Bishop and I would be remiss in our duties if we did not bring up pigweed, and as you know, right now cotton farmers are turning up more soil and have pigweed problems, I think, the most in 25 years. The University of Georgia has been working with you guys on a pilot program with 12 growers on a new conservation tillage system, and as I understand it, they have made progress that has been positive.

What is the status of it, when is it going to be released? And what are your comments on the pilot?

Mr. WHITE. That pigweed is awful. It is glyphosate resistant. One plant can do 200,000 to a million seeds. The good thing is they do not have a long lifespan.

So James Tillman, our State Conservationist in Georgia, has done some pilots.

Mr. KINGSTON. Is he in Tifton or Athens? Do you know?

Mr. WHITE. Athens, Athens.

We had spent, I think, a quarter of a million dollars last year on this pilot. We are looking at cover crops, looking at crop rotations, looking at the integrated pest management, which is where the University of Georgia is. There are chemicals that will work.

I am hopeful that the crop rotations could be helpful, and not only through the Environmental Quality Incentives Program, but also in the Conservation Stewardship Program there is an offering called the Resource Conserving Crop Rotation where we could actually help farmers reach a higher level management, and you might do a cotton with a mix of a cover crop, corn, and have a rotation like that and have a big impact on reducing pigweed.

Mr. KINGSTON. Are we going fast enough given the size of the problem? And do you have any estimate of how much damage it is costing in terms of dollars?

Mr. WHITE. I do not have damage estimates, sir. And, no, we are not moving fast enough because it is not just Georgia. It is up through Arkansas, and it is not just pigweed. It is going to be stuff like some of the other Johnsongrass and things like that.

Mr. KINGSTON. I do not have it with me, but I was looking at a chart of how many counties have it in Georgia right now, and it has just gone where 73 counties right now have it since 2004. In 2004 there was one county, and now it is up to 73. It multiplies that quickly.

So if it is going to Arkansas, Alabama and everywhere else, Mr. Bishop, I have 20 seconds left if you want to jump in on this because I know you are hearing from your cotton folks.

Mr. BISHOP. Absolutely.

Mr. KINGSTON. I think our concern is to make sure we are moving as quickly as possible because it is a huge problem, and as Mr. Sherman said, we have record crop income right now in production and everything is going well. This might be the next boll weevil.

Mr. Farr.

MANDATORY CONSERVATION WITH CROP INSURANCE

Mr. FARR. Based on what we are hearing from the discussions on the Farm Bill, it looks like the Congress will probably be moving away from the direct payments. There seems to be support for instead providing a higher level of taxpayer subsidy for crop insurance.

In addition, we are hearing that some of the conservation programs may be scaled back. Before 1996, farmers were required to implement soil conservation measures or risk being dropped from the crop insurance. This year's Farm Bill removed that requirement.

Since the taxpayers are providing additional funding for crop insurance, would you support including mandatory soil conservation practices as a requirement for the program?

Mr. WHITE. I understand the whole rationale behind this, Mr. Farr, and prior to the 1996 Farm Bill, it was linked and it was removed in Freedom to Farm Farm Bill in 1996. I think realistically I do not think it is going to happen. I think if it does happen in the future, sir, we are going to have to engage the industry to figure out a way or is there some sort of a middle ground.

Mr. FARR. We were just talking about how do you implement best management practices. If you know that soil conservation practices work, why not require it? It is like, you know, getting your mortgage based on you have got fire insurance. Fire insurance is based on what the probability of your house burning down is.

I mean, you try to always incorporate best management practices as a condition to getting licensed or getting funded. There is a taxpayer role here. We subsidize the crop insurance.

Mr. WHITE. I understand it, sir. The whole area of crop insurance is kind of out of my wheelhouse though, and that is going to have to be an issue for the Senate and House Agriculture Committees.

Mr. FARR. Yes, but you are selling best management practices.

Mr. WHITE. Yes, sir.

Mr. FARR. Why would you not want your best management practices to be used as a tool?

Mr. WHITE. Well, we already have conservation compliance for a great deal of things, for highly erodible lands, for Swampbuster. We have adjusted gross income limitations which exclude certain people from participating, and I think the more requirements you have I do not know if they reach a point of diminishing returns on your effectiveness.

Mr. FARR. Well, I think you ought to be looking into those carrot-stick issues, and I hope that you will not just say that we are not going to be involved in it. I think you need to keep upgrading our ability to get highest and best use out of lands with the most practical natural systems, the way to do things right.

SOIL AND WATER RESOURCES CONSERVATION ACT

Let me ask you another question. Last year USDA released the appraisal report required under the Soil and Water Resources Conservation Act, but we have not yet seen the program report which is required under the statute. When will we receive the RCA Program report?

And I assume it is going to include the evaluation of existing conservation programs and recommendations for program improvements.

Mr. WHITE. Yes, sir.

Mr. FARR. Like mandatory soil conservation.

Mr. WHITE. There are two things here. One is the Resource Conservation Appraisal. That was released, I think, December, January, somewhere in that time frame.

Mr. FARR. Yes.

Mr. WHITE. The second piece which you are referring to is after you do the appraisal, you have to do the national conservation plan. We are late with that, but it is drafted. It is going through interagency review, and hopefully late March, early April it will be out, sir.

CONSERVATION STEWARDSHIP PROGRAM

Mr. FARR. Can you tell us about the most recent CSP sign-up and about some of the improvements that were made to the program this year?

Mr. WHITE. Love to, love to.

Mr. FARR. In about five seconds.

Mr. WHITE. Okay. We are allowed to take 10.7 million acres this year. We had over 19 million sign up. So we are going to leave about nine million on the table, which means we are going to get the best.

We have improved the program. It is not just focused on maintaining what is there. There is an emphasis now on additionality, 60 percent of the payment for additional practices and 40 percent is based on maintaining existing practices. It is offered nationwide.

We have got a new tool that kind of functions like Turbo Tax. If you ever do Turbo Tax, it tells you how much you are getting as a refund, and you have to answer questions. So producers can see how if they do this enhancement or that enhancement, the impact it has on their points, and it will also tell them the dollar value. So it is like we have made it super transparent, a lot of improvements.

We got rid of a bunch of enhancements that I did not think were very good. We have added some really cool stuff, one that will really help in this pigweed issue, one that helps conserve water. We have got a bunch of new wildlife ones.

So the new program is pretty spiffy.

Mr. FARR. Thank you.

Mr. KINGSTON. Mr. Bishop.

BLOCK GRANT SYSTEM

Mr. BISHOP. Thank you very much.

The Georgia Soil and Water Conservation Commission relies on 2008 Farm Bill programs and grants to provide soil and water resource information, as well as technical, financial and planning assistance in order to maintain and conserve resources that are essential to farmers throughout the State of Georgia.

Due to the uncertainty of reauthorization of the Farm Bill, have you considered any other ways to administer these grants and the program, such as possibly a State block grant system?

Mr. WHITE. No, sir, we would not favor a State block grant system with these federal funds. We feel pretty strongly that these funds should go directly to producers, working with producers on a site-specific landscape. We will work with any State agency or local entity, but we have not made any looks ahead if the Farm Bill is not reauthorized.

If the Farm Bill is not reauthorized, we revert back to that 1949 parity thing, which would be a massive train wreck if the Farm Bill is not reauthorized or at least extended.

Mr. BISHOP. Okay. Thank you.

RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM

As you know, the President's budget proposes to eliminate funding for Resource Conservation and Development Program. For the past two years, the budget has included $51 million in funding. It seems that the administration or OMB has made similar proposals to eliminated RC&D in the past.

Having proposed to eliminate funding, the department must obviously see the program as having poor performance or a serious lack of performance.

Has the agency asked the councils to develop program improvement strategies or proposals?

And if RC&D found previous projects or proposals were problematic, what solutions have been offered or developed in order to address the outstanding concerns of the program?

And if support for the program is eliminated, what do you foresee happening with the existing RC&D areas?

Mr. WHITE. Congressman, I am a big fan of the Resource Conservation and Development Councils. Those areas, they do a lot of superb work in rural America. Last year as a part of the final Appropriations bill that was passed by this Congress, funding was eliminated for all the RC&Ds. Essentially we had to close that program out. We had to deal with 400 people, closing 375 offices.

We think we have done that fairly. I have been in touch with the RC&D Council members, the President, their staff, and they believe that 70 to 75 percent of all the RC&D Councils will remain functioning and viable, and NRCS welcomes work with them as we would any other 501(c)(3).

FINANCIAL MANAGEMENT

Mr. BISHOP. Okay. In the past, the Office of Inspector General criticized the department for deficiencies within the department, particularly the need for improvements in overall financial management. One of the specific areas cited as management of contracts.

Do you expect there to be any problems with obligated funds as a result from the budget reductions?

Mr. WHITE. Well, if you are talking financial problems, we are the poster child. We have got four years of independent audits where we have had disclaimers of opinion, and we are making progress toward that.

We are making super progress in reducing our de-obligations. Our improper payments according to the Performance and Accountability Report—the PAR report—were 0.8 percent. So that is pretty good.

We have a team that is working in eight different areas. We are just doing so much in the area of financial management it is incredible because we do have to get up. We owe you and the American people our best efforts that you know where the money is being spent and you have confidence that it is being done wisely, sir.

Mr. BISHOP. So you will be able with the budget reductions; you will still be able to go forward with that effort?

Mr. WHITE. We have to, sir. If there is an area that we will increase people in, it is in financial management. We simply have to. You are talking about $4 billion of public funds, and we have to do a good job with that.

Mr. BISHOP. Thank you, Mr. White.

Mr. KINGSTON. Mrs. Lummis.

Mrs. LUMMIS. Thank you, Mr. Chairman.

CONSERVATION PROGRAM CONSOLIDATION

I am going to pursue this consolidation question before I move on to a question about CRP.

As I understand it, the proposal to the Super Committee by the agriculture leaders was that the programs be grouped into five groups: working lands, regional partnerships, easements, CRP, and then everything else.

Now, if you were grouping programs, is that how you would do it? Is that a logical grouping?

Mr. WHITE. Yes, ma'am.

Mrs. LUMMIS. Would you do it a little differently?

Mr. WHITE. Again, I never saw their final language, but based upon what I do know and my participation in discussions, I think what they have outlined is very good. It is awesome.

Mrs. LUMMIS. So it can reduce operating costs possibly?

Mr. WHITE. I think so, yes.

Mrs. LUMMIS. Okay. And streamline program delivery, in other words?

Mr. WHITE. Yes. Say, for example, the Environmental Quality Incentives Program and Wildlife Habitat Incentives Program, there is nothing you can do in WHIP that you cannot do in EQIP.

Mrs. LUMMIS. Yes.

Mr. WHITE. But yet we have two rules. We have two, you know, applications. There are two different sets. In EQIP, the contract limitation is $300,000. In WHIP, it is $50,000. There is no contract limitation, but it is a $50,000 a year payment cap. Over here there is no payment cap.

With EQIP you could treat federal lands that are adjacent to private lands. Here it has to be private lands. There is different criteria for who can apply.

So if you can kind of blend those together and still give us the same tools, but make it simpler, it would be so much easier for producers and so much easier for our farmers to understand. They do not care about this alphabet soup.

Mrs. LUMMIS. Right.

Mr. WHITE. They just want to get somebody off their back or fix the creek, you know. So I think what the Senate did is pretty awesome.

Mrs. LUMMIS. Well, I hear that as well. I hear that from producers.

So now I am going to move into——

Mr. KINGSTON. But before you do that, if the gentlewoman would yield.

Mrs. LUMMIS. I would.

CONSERVATION DELIVERY STREAMLINING INITIATIVE

Mr. KINGSTON. You were talking about the streamlining and it would take about two years on the computer system.

Mr. WHITE. To get the mobile computing, to get the tablets out in the field. We are field testing right now the Client Gateway so that producers can get into the system, and we are testing our Financial Assistance Desktop, which will eliminate a lot of the administrative burden.

So the mobile stuff is a couple of years out because there is a lot more work that has to be done in that.

Mr. KINGSTON. But CSP you said you could do quickly, and I was just wondering in terms of the computer conversion.

Mr. WHITE. That is in the office. That is in the office on the desktop software where you have to go through and choose the enhancements you want. You have to answer questions. It is kind of a selfguided thing. How many acres do you have? What crop do you grow? What is your rotation?

Mr. KINGSTON. It is just more complicated in terms of the conservation programs than it is CSP, and it is mobile. Is that why it would take two years?

Mr. WHITE. I think I have confused you all, and if I have, I apologize.

Mr. KINGSTON. I think it is me.

Mr. WHITE. What?

Mr. KINGSTON. You have probably just confused me. Everybody else probably has got it. The CSP software you said you could convert really quickly.

Mr. WHITE. We have new CSP software right now.

Mr. KINGSTON. But on the conservation it was two years to get to that quick, streamline and turn it around while you are out in the farmer's field?

Mr. WHITE. That would be strictly the mobile aspects where you go out with your tablet, and your whatever. I do not mean a brand name, but whatever a tablet would be. It could, you know, pull down from a satellite. You would have the soils information. Instead of being in your office trying to get the soils information which we have now, you would actually be on your farm and you could actually answer all the questions on the spot.

And to get to that point, it is going to require a lot of Information Technology—IT—development. It has nothing to do with the Farm Bill or the policy there. It is to enable our people to service better on the ground in the field.

Your question is how much time it would take to fuse the programs together?

Mrs. LUMMIS. Well, I would be happy to hear your response to that if that happens.

Mr. WHITE. If the House and Senate pass a new Farm Bill and say we take those three easement programs and put them in one and you put a couple of cost shares in another, it would be much simpler to do the rules. Probably instead of having to do ten rules, we would do five rules.

Mrs. LUMMIS. Yes, that would be great. That just sounds so practical. I hope the Agriculture Committees do that.

Mr. Chairman, would you indulge me to ask my next question?

Mr. KINGSTON. Actually I used about two of your minutes and I am next. I will just yield you two minutes of mine. How about that?

Mrs. LUMMIS. Thank you.

CONSERVATION RESERVE PROGRAM

Regarding CRP, of all the programs that you administer that I really admire and think are productive, the one of which I am no longer entirely enamored is CRP. And I support the Committee's desire to reduce the number of acres. I think they recommended reducing the current 32 million acre cap to 25 million in a step-down basis. To me that makes perfect sense.

I also understand that Secretary Vilsack announced a new CRP Grasslands and Wetlands Initiative to set aside a million acres with specific criteria, duck nesting habitat, upland birds, wetlands, pollinators, and wildlife. If those two things happen simultaneously, how do you see that coming together?

And could you talk to me a little bit about the advantages of continuous sign-up? I know that that is an alternative to general sign-up that may have some merit. So I just want a general overview on this stuff.

Mr. WHITE. If I may, one point of clarification. NRCS does not administer the CRP. That is done by the Farm Service Agency. They do the policy. We do the technical work only on that particular program.

Mrs. LUMMIS. Oh, okay. Thank you for that.

Mr. WHITE. The announcement last week on these million acres I thought really moved the CRP in a good direction because pollinators are superb. I mean, one out of every three bites we take we rely on an insect, a bird or some critter to pollinate it, and to have 100,000 acres that would be for that I think would really help it.

And some of those things, like you said, the upland bird habitat which would benefit pheasants, quails, ground nesting species, could be done in such a way that you take that odd area out of a field, get rid of the point rows or take that hillside that you cannot do anything with, and grass it down.

So I think it really moves the CRP in a good direction, and I really like the continuous sign-up because it targets aspects of working landscapes, like a waterway in a cropland field or a buffer at the edge of a field.

Mrs. LUMMIS. So would the continuous sign-up be used for this new plan of the Secretary's if it moved forward?

Mr. WHITE. Yes, ma'am. I think so.

Mrs. LUMMIS. Okay, but would there be some merit to moving the whole system towards that as we are scaling it down as a way to rationalize and right-size the program in a time of tough budgets.

Mr. WHITE. I had not really considered that. There has always been a general sign-up, you know, the whole farm enrollment. I know that there are aspects of the whole farm enrollment which, you know, retires that land, takes it out of crop production. There has been some significant environmental benefits from water quality, reduced inputs. Certainly in certain areas of the country you see some wildlife populations come roaring back like pheasants and some of the landscape level species.

Mrs. LUMMIS. I think the bird hunters are the biggest advocates for CRP now, way more at least in our part of the country, way more than ranchers and farmers.

Mr. WHITE. I like working lands aspects if we do conservation and do it in harmony with agriculture production. That is an interesting question. I really had not thought about it, Representative.

Mrs. LUMMIS. Thank you.

Mr. KINGSTON. Okay. In my remaining 30 seconds, I do want to say that I have a lot of worries about CRP being oversubscribed. A lot of that land is not highly erodible as it is supposed to be. It is an enormously popular middle class entitlement, and there are a lot of people who are involved in it that do not farm for a living, but enjoy the income.

And now that crop prices are so high, suddenly they do not need to have the land out of production. It is the classic we are paying people not to farm program in the USDA, and so with that I am out of time.

Mr. Farr.

Mr. FARR. I come from a background of a lot of land use issues, and you know, in my district you cannot farm on slopes. You cannot even build on slopes. In Big Sur we have a provision called Viewshed Protection. You cannot build if you can see what you are going to build.

Not a lot of areas in the country are that strict, but do you know what? The land values are high. The land is kept in its natural state, and that has a value to it. So I think I share this concern maybe from a different direction, but I just think that we ought not be paying people for not farming on land that they should not be farming on, and I hope that something can come out of this.

EMERGENCY WATERSHED PROTECTION PROGRAM

Let me ask you a question about your NRCS Emergency Watershed Program. There was $215 million put in for new emergency funding in Fiscal Year 2012. In addition, $31 million provided in prior years was released for use in the more recent disasters. The funding was provided in response to Hurricane Irene, and to some other natural disasters around the country.

My experience is that this is really an important program, and I just wondered where the status of these funds are and what progress have you made on hurricane clean-up.

Mr. WHITE. The $215.9 million we got in the appropriations—we have sent out $215.7 and have a small, little reserve. So that was all for 2011 disasters. Then you gave us the repurposing ability, that $31 million, which really took money that had been tied up like for Hurricane Katrina and allowed us to use it.

We just announced yesterday we sent out $17.9 million. We have completely taken care of the backlog of 2011 projects.

Mr. FARR. Okay. You have sent it all out. What is the progress of the clean-up?

Mr. WHITE. Oh, they start work. If it is an exigency, which is a threat to life or property, if there is a direct threat, that work has to be done in ten days. If it is non-exigency, which means it is debris clean-up or repairing something, that work has to be done in 220 days. So it is time bounded.

One of the things we found, Mr. Farr, is like a state will do a damage survey request or report, and they will say, “We think we need $100,000.” We will send $100,000 out, and maybe it takes $85,000. They will send $15,000 back, or maybe it takes $115,000 and we have to send them more. So there is constant——

Mr. FARR. And you do not have to monitor that or go through FEMA with all of that, like the emergency funding that FEMA has, because it is very bureaucratic? You have to spend the money in order to get it back under FEMA where there is a 25 percent local match.

Mr. WHITE. We do follow FEMA rules as far as the cost share. If you are in a really low income area, they will say 90 percent or 100 percent. We generally follow their lead.

The program has a lot of latitude on contracts. I have been involved in projects when I worked in South Carolina. We had a 500–year flood in a little town. A couple people died. I mean, it was a mess. Before the rain stopped falling we had bulldozers out there and backhoes shoring up some properties.

When the Missouri floods this past spring were occurring, there was a little town in Arkansas, limited income. The waters were lapping up and up. They were eroding the town lagoon. If it broke, stuff was going to go everywhere and pollute their water supply. We fixed it that morning. We found out about it by nine. By 12 people were working there. It cost $20,000 to fix it, and we probably saved half a million dollars in repair work.

So we can move really fast in these exigency projects.

Mr. FARR. It would be interesting, Mr. Chairman, to see how FEMA has because my experience with FEMA is they cannot move that fast. They have to have private contracts.

Mr. WHITE. We can move fast. We can suspend the normal contracting.

Mr. FARR. Do you have the ability to waive the cost share?

Mr. WHITE. Yes, we can.

Mr. FARR. Where you take in kind?

Mr. WHITE. Yes. Yes, sir, we can do it. It is going to be very rare, but we can do it. I did it this year for a single mom in Arkansas who was going to lose her home, who had no resources and the county could not sponsor it. So I have done that before.

Mr. FARR. Give us your home number.

Mr. KINGSTON. You know, Sam, I think last week when we were batting back and forth about the error rates in some of the USDA programs, I think FEMA has the first place of all programs, and it must be 25 to 28 percent, in that range, even more. I am just going out of memory.

Mr. FARR. For an emergency response agency, they are very difficult to work with. They are very regimented and programmatic.

Mr. KINGSTON. Floods and disasters bring out the absolute best and worst in everybody.

Mrs. Lummis.

FARM BILL REAUTHORIZATION

Mrs. LUMMIS. Well, Mr. Chairman, I have no further questions, but I would like to use the little bit of time I have to talk to the Chairman and the Ranking Member of this committee about approaching the authorizers during this period of reauthorization of the Farm Bill and see if there could be a bipartisan effort to, in these tough economic times, to phase out the CRP Program.

I do not have a problem actually with a million acre. Is that not the deal that Mr. Vilsack is proposing?

Mr. KINGSTON. Right.

Mrs. LUMMIS. That really targets specific properties, but I agree with you, Mr. Chairman. I see the CRP Program as expendable in a time of tough financial. That is ridiculous. That is just too big a program at a time when we cannot afford it.

How often do you visit with the authorizers? And do you make suggestions about these mandatory programs that could be phased out?

Mr. KINGSTON. I actually talk to Colin Peterson continuously and Frank Lucas quite frequently. The problem I think is actually not getting a bipartisan agreement on the House side, but getting a bicameral agreement with the Senate.

Mr. FARR. I am not sure that it ought to be totally wiped out. I think what we have heard today is what you need is you need tools in your toolbox. What you need to do is make sure that you are looking at the whole picture.

I mean, in this place, in an ability to do as these species get listed and as we try to figure out what is the essential habitat, you are going to need tools to do that, and this may be one of them, and other things.

There is probably a proper time to use this money, and there is a lot of improper use of the money because it is just targeted without looking at a bigger plan. But I think if you incorporate it into a whole management plan, ecosystem management plan or basin plan or whatever it is, you could make some more sense out of it, and I do not think taxpayers mind doing it that way, but I do think they mind for the reasons that you both brought up.

I mean, I went through these Farm Bills. I guess I have been through three of them, and I think there is a need to have it more collaborative between the authorizers. In most cases appropriators do not get invited or vice versa to participate. I sat on the Agriculture Committee for years and never really understood agriculture until I got on this committee because you really get into the meat and bones of how it all works.

Mrs. LUMMIS. Yes, in the Wyoming legislature—sorry. We are having a sidebar here. So thank you for your tolerance.

Mr. KINGSTON. Actually, if the gentlewoman will yield, one of the things that Mr. Farr and I appreciate is that you are not afraid to enter into the policy discussion while some of the agencies that we talk to just are neutral, but you are out there working where the rubber meets the road, and your input is extremely important and your openness and transparency in terms of, well, this is what we are seeing that works and does not work.

Mrs. LUMMIS. I agree. Thank you for that.

Process-wise, this is the goofiest place I have ever seen. In the Wyoming legislature, a bill goes to a committee, let's say the Agriculture Committee, to create a new program. Then it is re-referred if it comes out of the Agriculture Committee with a positive recommendation. It is re-referred to the Appropriations Committee before it goes to the floor of the house, and then if it passes, it goes to the senate authorizing committee, so to speak, and then it is again re-referred to the Senate Appropriations Committee before it goes to the floor of the senate.

That way you have got the creation of a new program or the expansion of a program or the repeal of a program going directly from the authorizing committee to the Appropriations Committee to make the call about what is an appropriate amount of money to spend on that.

Here that never happens. So you have got programs that are authorized but never funded. You have got agencies, the whole USDA does not even know what programs it has in the entirety because why would you pay any attention to a program that is authorized but not funded. This is just a mess, and it is not the agency's fault. It is Congress' fault.

Congress passes programs without knowing what other programs are already out there, and nobody can say what other programs are already out there because they are not funded, and so we just keep throwing stuff at agencies.

Mr. FARR. We have all experienced that having served in State legislatures, and my suggestion is there is a process here to change that. It is call the House rules. We adopt them every two years the first thing we do, and that is where you can change all of that.

In talking to Tom Udall, the Senate does not even bring up their rules. They just grandfather them in. That is why you cannot even have a debate on filibuster law.

Mrs. LUMMIS. So do you think there would be any appetite in the House, a bipartisan appetite, for those types of reforms?

Mr. FARR. If you did it, what happened in California, essentially you had to split the Appropriations Committee into two committees, one that would do the budget like we are doing and the other that would just hear the cost of the bills. I mean, that might be a smart thing to do in Congress, but I think you have got so much institutional bureaucracy that is wedded to the procedure here both inside Congress and outside that it is going to be very hard to change that.

Mrs. LUMMIS. It is also going to be hard to retire $16 trillion in debt, but I mean, we just have to do some things differently around here.

And I yield back. I appreciate your indulgence of my departure from the scheduled program.

Mr. KINGSTON. Well, let me say this. I think that within the context of what is germane and our rules allow offering amendments on CRP or any other of these cost saving ideas is a good idea and doing it bipartisan within the Committee, maybe offering it on the floor rather than in Committee, and the only reason why I say that is a lot of times when you do something in committee it disappears in conference, whereas if it is on the floor, it still disappears, but not without notice.

Mrs. LUMMIS. So can we offer—now I am just thinking out loud—so let's say the Agriculture Appropriations' bill hits the floor of the House. Can we offer amendments to the mandatory programs? Because is CRP not a mandatory program?

Mr. KINGSTON. The Rules Committee probably will not allow it because the authorizing committee will call a point of order on it, but you can do the no funds shall be expended, and if you wanted to say CRP would be limited to, you know, 28 million acres instead of going up to 32. You could figure it out. I mean, that could be done legally in terms of consistency with the rules, and you can drive the point with it.

Mrs. LUMMIS. I think that would be a fun bipartisan discussion. So I will visit with both of you about how to structure that.

Thank you.

Mr. FARR. You had better visit with us because we will be managing the bill on the floor and we will be arguing for or against that amendment.

Mrs. LUMMIS. Thank you very much, and thank you for your indulgence of this sidebar, and thank you for being here as well.

Mr. KINGSTON. And I just wanted to make an observation, and I had one question. My observation is on the safe harbor thing. Mrs. Lummis actually brought it up, but one of the problems with things like safe harbor and best management practices is they do become standards, and then if you are out there and you are not doing it, and usually that is somebody who is maybe a little more independent or less connected or does not have the means. They are suddenly more vulnerable because they are not participating in this voluntary program. I get worried about that. While safe harbors are very productive, you can still have that unintended consequence.

The other thing I wanted to mention, let the record show the head nodded. You know, closed caption, "head nod on the panel."

URBAN LANDSCAPE INITIATIVES

The other thing, on the landscape initiatives, this is more an urban pet peeve of mine than a rural, but my mother lives in Colorado. When we go out to Boulder, everybody has this bright green-chartreuse land, and if you know anything about Boulder Colorado, it is probably the most environmentally green area in the world, but they just waste tons of water watering grass that they imported from Georgia or something like that. It has no business being out there.

In terms of natural groundcover in urban areas, to me that is something that we need to be discussing in terms of water usage. It is more of a local issue, but when you talk about the sage grass and everything else, we are pushing as much as practical and when possible indigenous species, correct, as ground covers?

Mr. WHITE. Correct, absolutely.

Mr. KINGSTON. And I know at one time the Forestry Department had an urban tree program, which I think we killed.

Mr. FARR. Still do.

Mr. KINGSTON. They do still have it?

Mr. FARR. The Forestry Program.

Mr. KINGSTON. In urban forestry, do they push indigenous only?

Mr. SHERMAN. I think they do, but I will check that and get back to you on that. If I can, you know, just add to your comment because in my earlier life I dealt a lot with these water conservation issues in urban areas, and you are absolutely right. Particularly in the West, half of the water that is being used in urban areas is for lawn watering.

[The information follows:]

The U.S. Forest Service Urban and Community Forestry Program works closely with State and local partners to promote the planting of "the right tree in the right place." Local experts—arborists, urban foresters, and nursery industry professionals—are the best qualified to know, recommend and promote the types of trees suitable in a given location for a given purpose. Often native species are preferred and are best suited for planting in urban soils and difficult urban conditions, such as small planting spaces. At times, however, ornamental, non-native trees that have been proven over time to perform well in urban conditions, and are not invasive, are well suited and included on recommended tree planting lists.

Mr. KINGSTON. Except for in Las Vegas. I know all of that grass is natural for the golf courses out there.

Mr. SHERMAN. But it does have an impact on agriculture, and frequently cities are acquiring water rights to line up agricultural land and moving them to urban areas. So it is a problem.

Mr. FARR. We solved that problem, Mr. Chairman by giving every house a water budget, and if you look at that budget you do not have enough water to have a lawn. So people are taking their lawns out, and if they want to build an extra bathroom, you have to do it within your budget. So you have to replace every single utility in your house, you know, washing machine, dishwasher, showers, toilets, everything. They would have to be lowest water use in order to have a net no increase in water use.

So markets can do it.

Mr. SHERMAN. But the alternate way is a graduated pricing scheme which can actually have the same effect.

Mr. FARR. Although my mother and father would turn over in their grave if they knew that my sister took their house and put in an artificial lawn, and in the back I actually did not think I would ever say this, but it is actually very attractive. [Laughter.]

Mr. KINGSTON. You cannot beat it barefooted in July, but when I was a kid we actually had a rotary lawn mower, meaning no engine except for me pushing, and it got caught on every pine cone and gumball in Athens, Georgia as I was cutting it, and then we went out to visit some friends in El Paso, Texas, and all of their yards were pumped syenite, you know, this brown gravely stuff. Gosh, this is so cool. If we could just load up the car, make our whole yard this way, this would be the route to go.

I know in El Paso they probably have the green grass curse. I am not certain, but you as a Coloradan, where is your home in Colorado?

Mr. SHERMAN. In Denver.

Mr. KINGSTON. Well, Denver has all kinds. I do not know. You probably get more water than they do up north of you maybe.

Mr. SHERMAN. It is actually very similar there, Boulder and Fort Collins, if that is what you are talking about.

Mr. KINGSTON. The Thompson Project.

Mr. SHERMAN. Big Thompson Project, yes.

Mr. KINGSTON. Yes. Well, Mr. Farr, I am finished.

Mr. FARR. Well, I want to reiterate your comment. I really appreciate this board having opinions. There is some pressure in Washington never to have anybody come up here and have an opinion other than that of the President of the United States or Office of OMB, but I appreciate it because it is a give-and-take. We are in a learning process. We like sharing your knowledge, and I hope, as the Chairman said, that you will also encourage the Secretary to allow the agencies to get involved in the Farm Bill instead of just being the recipient of whatever we do. If we do it wrong, you have got to carry it out, and I think that your professional abilities of the department certainly know areas where we can make improvements, and I suggest that you get involved in drafting that bill as much as you can.

Mr. SHERMAN. Well, thank you, and I should say that we have a very hard time getting Chief White to speak up. He is very shy by his nature, but we are working at it.

Mr. KINGSTON. All right, and I do want to say, getting back on the pigweed, I do want to accelerate that, and I know James Tillman. I was thinking you were talking about the UGA scientist who is a guy named Culpepper, but he is promoting some things that I know James can contact him, and I know they are all over it, but I do think we need to accelerate that. It is a deep tillage system that they are doing.

Mr. SHERMAN. Yes.

Mr. KINGSTON. All right. With that, the Committee stands adjourned.

Natural Resources Conservation Service

Questions for the Record by Mr. Kingston

ACTIVE CONGRESSIONALLY DESIGNATED PROJECTS FROM PREVIOUS FISCAL YEARS

Mr. Kingston: Please provide a list of all congressionally designated projects from previous fiscal years that are active. Include information on recipient, location, purpose, appropriations provided, obligations to date, and any unobligated balances.

Response: The information is submitted for the record.

[The information follows:]

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Watershed Operations						
Colgan Creek Restoration Project	City of Santa Rosa, Public Works	CA	Lower Colgan Creek Restoration Project	$382,000	$346,000	$36,000
Alameda Creek Watershed Project*	Alameda County RCD	CA	Alameda Creek Watershed Project FY2009	1,337,000	38	1,336,962
Upcountry Maui Watershed Project, HI	2009 State of Hawaii Dept. of Agriculture	HI	Irrigation Water Management - Upcountry Maui FY 2009	1,815,000	1,815,000	-
Upcountry Maui Watershed Project, HI	2008 State of Hawaii Dept. of Agriculture	HI	Irrigation Water Management - Upcountry Maui FY 2006	207,000	207,000	-
Upcountry Maui Watershed Project, HI	2006 State of Hawaii Dept. of Agriculture	HI	Irrigation Water Management - Maui FY 2006	1,980,200	1,980,200	-
Upcountry Maui Watershed Project, HI	2005 State of Hawaii Dept. of Agriculture	HI	Irrigation Water Management - Upcountry Maui FY 2005	2,000,000	2,000,000	-
Lower Hamakua Ditch Watershed Project, HI	State of Hawaii Dept. of Agriculture	HI	Irrigation Water Management - Lower Hamakua FY 2009	1,169,000	1,169,000	-
Lahaina Watershed, HI	2005 County of Maui Dept. of Public Works	HI	Flood protection - Lahaina Watershed FY 2005	300,000	300,000	-
Wailuku-Alenaio WSP	2009 County of Hawaii Dept. of Public Works	HI	Flood Protection - Wailuku-Alenaio FY 2009	191,000	191,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Bear Creek Watershed	2004 Winneshiek SWCD	IA	Flood control and water quality	304,000	304,000	-
Bear Creek Watershed	2006 Winneshiek SWCD	IA	Flood control and water quality	362,500	362,500	-
Mill Creek Watershed	Page County SWCD	IA	Soil erosion control	68,500	68,500	-
Soap Creek Watershed	2006 Soap Creek Watershed Board	IA	Flood control	1,979,200	1,979,200	-
Soap Creek Watershed	2009 Soap Creek Watershed Board	IA	Flood control	984,000	984,000	-
Little Sioux Watershed Project	Several Recipients	IA	Little Sioux Watershed Project Soil erosion control. FY 2009	1,146,000	1,146,000	-
Great Lakes Basin Program	Great Lakes Commission	MI	To carry out the Great Lakes Basin Program for soil erosion and sediment control.	404,000	404,000	-
Little Otter Creek*	Caldwell County Commission	MO	Construction of multi-purpose reservoir Little Otter FY 09	3,859,000	2,167,072	1,691,928
East Locust Creek	2009 North Central Missouri Regional Water Commission	MO	Design of multi-purpose reservoir	1,498,803	1,498,803	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
East Locust Creek	2008 North Central Missouri Regional Water Commission	MO	Acquisition for the multi-purpose reservoir	2,799,300	2,799,300	-
Buck and Duck Creek Watershed Project	Nemaha NRD	NE	Duck and Buck Watershed To address floodwater damages through construction of flood prevention structures	2,470,600	2,470,600	-
Tulpehocken Creek	2008 Several Recipients	PA	Tuplehocken Creek Watershed Land Treatment FY 2008	844,100	844,100	-
Neshaminy Creek	2008 County of Bucks	PA	Installation of nonstructural works of improvement for flood damage reduction on the lower Neshaminy Creek, Bucks Co., PA FY 2008	2,494,400	2,494,400	-
Indian Creek	Mountain Watershed Indian Creek	PA	Improve water quality and aquatic habitat in Indian Creek & tributaries. Remove health & safety hazards associated with deep mines. FY 2005	937,220	937,220	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Big Creek (Tri-County) Watershed	Falls County WCID #1	TX	Designs for dams in Big Creek (Tri-County) WS (Sites 16, 17, 18)	804,300	804,300	-
Attoyac Bayou WS Site 23A	Nacoghoches County	TX	Construction of basic recreation facilities at multi-purpose Attoyac Bayou WS Site 23A.	3,461,400	3,461,400	-
Lost River Watershed Project	Gannett Fleming	WV	A&E Design of new dams and for the rehabilitation of existing earth fill dams in WV	288,300	288,300	-
Lost River Watershed Project	Potomac Valley	WV	Relocation Assistance/ Real Property Appraisals and Acquisition for Lost River Watershed	3,829,100	3,829,100	-
Big Slough Watershed Project, Arkansas	Big Slough Watershed Improvement District	AR	Big Slough Watershed Project - This project revises an existing authorized watershed project plan that addresses floodwater damages to approximately 17,000 acres of cropland.	57,000	57,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Departee Creek Watershed Project, Arkansas	Departee Creek Watershed Improvement District	AR	Departee Creek Watershed Project - Reduce flooding by at least 50 percent, reduce sediment and scour erosion significantly and provide a fishing lake for the public in the project area.	110,000	110,000	-
Alameda Creek Watershed Project, California	Alameda County Resource Conservation District	CA	Alameda Creek Watershed Project - to enhance and protect agricultural viability and natural resource protection and enhancement through education, outreach, and direct technical assistance. FY 2010	1,337,000	1,152,000	185,000
Dry Creek Watershed, City of Rocklin, CA	City of Rocklin	CA	Dry Creek Watershed to assist the City of Rocklin with stream restoration work on the Antelope creek tributary of Dry Creek	500,000	500,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Farmington River Restoration Project, Riverton, Connecticut*	Town of Barkhamsted	CT	Farmington River Restoration Project, Riverton - for erosion and flood control.	500,000	62,000	438,000
Richland Creek Reservoir, Paulding County, Georgia	Paulding County Water System, Director	GA	Richland Creek Reservoir, Paulding County - to be used for engineering and design services for the dam structure and appurtenances.	100,000	100,000	-
Lahaina Watershed, NRCS Hawaii	County of Maui, Dept. of Public Works	HI	Lahaina Watershed - to protect the town of Lahaina against the 1 percent (100 year) flood, and reduce the discharge of sediment to the Pacific Ocean.	1,000,000	1,000,000	-
Lower Hamakua Ditch Watershed Project, Hawaii	State of Hawaii, USDA, Agricultural Resource Management Division	HI	Lower Hamakua Ditch Watershed Project - to alleviate the shortage of agricultural water along the Hamakua Coast, by providing a stable, adequate, and affordable supply through the Lower Hamakua Ditch.	1,800,000	1,800,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Upcountry Maui Watershed Project, Hawaii	State of Hawaii, USDA, Agricultural Resource Management Division	HI	Upcountry Maui Watershed Project - Increase the availability and reliability of irrigation water in the Upper Kula area.	2,000,000	2,000,000	-
Wailuku-Alenaio Watershed Project, Hawaii	County of Hawaii, Dept. of Public Works Engineering Division	HI	Wailuku-Alenaio Watershed Project- to protect the northern part of Hilo against the 1-percent (100-year) flood.	250,000	250,000	-
Soap Creek Watershed Project, Iowa	Soap Creek Watershed Board	IA	Soap Creek Watershed Project to provide for the construction of eight small flood control dams. FY 2010	984,000	984,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Little Sioux Watershed Project, Iowa	NRCS IA	IA	Little Sioux Watershed Project - to assist the sponsors in working with landowners, determining the feasibility of continuing work on this project and to complete one engineering survey and preliminary design of a flood prevention measure. FY 2010	1,146,000	1,146,000	-
DuPage County Watershed, IL	DuPage County	IL	DuPage County Watershed to alleviate flooding by improving drainage and creating storm water detention areas.	1,000,000	1,000,000	-
Little Otter Creek Watershed Project in Missouri	Caldwell County Commission, North Central Missouri Regional Water Commission	MO	Missouri Watershed Projects for flood control and rural water supply development.	1,500,000	107,657	1,392,343
East Locust Creek Watershed Plan Revision in Missouri	North Central Missouri Regional Water Commission	MO	Missouri Watershed Projects for flood control and rural water supply development.	500,000	500,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Hurricane Katrina Related Watershed Restoration Project, Mississippi	Town Creek Water Management District	MS	Hurricane Katrina Related Watershed Restoration Project - provides for critical drainage improvements in Jackson County, MS, which are needed as a result of heavy silting of local steams, creeks and bayous due to the damaging impact of Hurricane Katrina.	229,000	229,000	-
Lake Oscawana Management and Restoration Plan, New York	The Town of Putnam Valley	NY	Lake Oscawana Management and Restoration Plan for flood control.	400,000	400,000	-
Pocasset River Watershed, NRCS Rhode Island	Town of Johnston, Rhode Island, City of Cranston, Rhode Island	RI	Pocasset River Watershed - to mitigate flooding in the critical areas identified within the Pocasset Watershed located in the City of Cranston, RI and the Town of Johnston, RI.	2,000,000	2,000,000	-
Dunloup Creek Watershed Project, NRCS West Virginia	WV NRCS, Fayette County Commission	WV	Dunloup Creek Watershed Project for flood control.	1,500,000	1,500,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Lost River, NRCS West Virginia	WV NRCS, Potomac Valley Conservation District, West Virginia State Conservation Committee	WV	Lost River - to reduce flooding in the Potomac River Watershed.	4,000,000	4,000,000	-
Total Watershed Operations				58,828,923	53,748,690	5,080,233
Conservation Operations						
Native Plant Materials Evaluating and Developing	2006 State of Alaska	AK	Native Plant Commercialization and Evaluation of Native Plant Materials	$297,000	$297,000	-
Native Plant Materials Evaluating and Developing	2008 State of Alaska	AK	Native Plant Commercialization and Evaluation of Native Plant Materials	132,069	132,069	-
U.S. Cold Regions Botanical Research Network	2006 State of Alaska	AK	U.S. Cold Regions Botanical Research Network - Obtain and evaluate plant material/seeds to assist landowners with planning and applying conservations measures.	297,000	297,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
U.S. Cold Regions Botanical Research Network	2008 State of Alaska	AK	U.S. Cold Regions Botanical Research Network - Obtain and evaluate plant material/seeds to assist landowners with planning and applying conservations measures.	132,069	132,069	-
Alaska Association of Conservation District (AACD)	2009 AACD	AK	Cooperative Agreements with Soil and Water Conservation Districts	864,000	864,000	-
Municipal Water District of Orange county for Efficient Irrigation, CA	2010 Municipal Water District of Orange County	CA	Efficient Irrigation - to distribute approximately 4,000 SmarTimer Irrigation Controllers to the highest water using residential and commercial properties.	150,000	150,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Water Quality Protection Program for the Monterey Bay Sanctuary, California	2010 Monterey Bay Sanctuary Foundation, Central Coast Ag. Water Quality Coalition, Regents University UCCE, Resource Conservation District of Santa Cruz County	CA	Water Quality Protection Program. Establish innovative collaborative approach to protect the resources. The Earmark supports the work of the Agriculture Water Quality Alliance (AWQA) led by a steering committee of representatives.	400,000	400,000	-
Audubon Conservation Curriculum	2010 Audubon Society	CT, NY, VA, DC	Audubon Conservation Curriculum. To develop and pilot messages, programs, and outreach materials to raise public awareness and engage public on issues related to habitat value of private properties and community spaces.	333,000	333,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Manatee Agricultural Reuse System (MARS)	2006 Florida West Coast RC&D	FL	Manatee Agricultural Reuse System (MARS) - Used for agricultural water reuse and easement acquisition of any associated lands needed to accomplish project objectives.	1,980,000	1,980,000	-
Green Institute, Florida	2010 Northern Florida Community College and Green Industries Institute	FL	Green Institute - to provide training and education on a statewide, national and even international basis for credentialing and certification of professional development for members of the horticultural and landscaping industries.	267,000	267,000	-
Altamaha River Basin	2008 Georgia Southern University	GA	Water Quality in Altamaha River Basin - Effects of upland development & industry on coastal areas	70,503	70,503	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Georgia Soil and Water Conservation Commission Cooperative Agreement	2010 GA Soil and Water Commission	GA	Cooperative Agreement - to provide agricultural water storage facilities for irrigation of cropland.	2,423,000	2,423,000	-
Watershed Planning Staff, NRCS Pacific Island Area	2010 East Kauai Soil and Water Conservation District, Mauna Kea Soil and Water Conservation District, USDA-NRCS-PIA	HI	Watershed Planning Staff, NRCS Pacific Island Area - allow for the hiring of a resource conservationist, a hydrologist, an economist, and specialized consultants.	500,000	500,000	-
Agricultural Development and Resource Conservation, Hawaii RC&D Councils	2010 NRCS Pacific Islands Area	HI	Agricultural Development and Resource Conservation, Hawaii RC&D Councils - to stimulate agricultural community development programs.	1,400,000	1,400,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Cooperative Agreement with University of N. Iowa - Native Vegetation	2009 University of Northern Iowa	IA	Tallgrass Prairie Center Native Seed Testing Lab - to complete the development of a prairie restoration how-to manual and the construction of the prairie seed propagation facility at the University of Northern Iowa in Cedar Falls, Iowa.	298,000	298,000	-
Hungry Canyons Alliance	2009 Hungry Canyons Alliance	IA	Erosion Control	282,000	282,000	-
Appropriate Wetland and Wet-Mesic Species, Tallgrass Prairie Center, University of Northern Iowa	2010 University of Northern Iowa	IA	To complete the development of a prairie restoration how-to manual and the construction of the prairie seed propagation facility at the University of Northern Iowa.	134,000	134,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Certified Environmental Management Systems for Agriculture (CEMSA), Iowa Soybean Association	2010 Iowa Soybean Association	IA	To implement an Environmental Management System (EMS), which is practical and feasible for use in a farming operation.	288,000	288,000	-
Hungry Canyons Alliance, IA	2010 Hungry Canyons Alliance	IA	To focus attention on the problems of, and develop solutions to, stream channel degradation in 22 counties within the deep loess soils region of western Iowa.	282,000	282,000	-
Watershed Demonstration Project, Iowa Soybean Association	2010 Iowa Soybean Association	IA	To address the important relationship between livestock and row-crop agricultural sectors.	134,000	134,000	-
Illinois Conservation Initiative, Illinois Department of Natural Resources	2010 Illinois Department of Natural Resources	IL	To improve water quality and wildlife habitat in the Illinois River Basin by implementing multi-purpose conservation practices.	576,000	576,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Yankee Tank Dam, NRCS Kansas	2010 Wakarusa Watershed Joint District No. 35	KS	Yankee Tank Dam, NRCS - a dam rehabilitation project.	1,000,000	1,000,000	-
Phosphorous Reduction Cooperative Agreement, Kansas Livestock Foundation, KS	2010 Kansas Livestock Foundation	KS	(Upper Walnut) - Control flooding and provide protection to the communities, cropland, roads, and bridges within their watershed.	1,000,000	998,301	1,699
Green River WQ and Biological Diversity Project, Western KY Research Foundation	2009 Western KY Research Foundation	KY	To provide water quality monitoring of the Green River Water Quality and Biological Diversity Project, in the 8 counties of the Upper Green River.	84,000	84,000	-
Wildlife Habitat Enhancement Project	2009 Louisville Olmstead Park	KY	To remove invasive plant species from Iroquois park, a 1,000 acre park managed by the Louisville Olmstead Parks Conservancy (LOPC)	235,000	235,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Crane Run Creek Watershed Remediation, Kentucky	2010 University of Kentucky Research Foundation	KY	To define the problems and opportunities associated with water, recreation, related land resources, and pollutants generated by various non-point sources including agriculture, wastewater treatment, and runoff.	400,000	400,000	-
Green River Water Quality and Biological Diversity Project, Western Kentucky Research Foundation	2010 Western Kentucky University Research Foundation	KY	To provide water quality monitoring in the eight counties of the Upper Green River.	100,000	100,000	-
Kentucky Soil Erosion Control	2010 Purdue University; University of Tennessee; University of Kentucky Research Foundation	KY	Provides Technical Assistance on highly erodible lands and address animal waste resource concerns from beef, dairy, poultry and swine operations to reduce erosion on croplands and grazing lands and animal waste resource concerns.	724,000	724,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Technical Assistance Grants to Kentucky Soil conservation Districts, Kentucky Division of conservation	2010 Kentucky Conservation Districts	KY	To more effectively implement the Farm Bill programs by hiring and/or continuation of employment of technical staff to support the conservation districts, and provide technical service provider support and leadership development at the Kentucky Division of Conservation.	545,000	545,000	-
Best Management Practices and Master Special Research Grant with LSU,LA	2010 Louisiana State University	LA	To build on the Louisiana Master Farmer Program by evaluating effectiveness of BMP's.	267,000	267,000	-
Chenier Plain Sustainability Initiative, McNeese State University	2010 McNeese State University	LA	To assist the Louisianan Native Plant Initiative in the collection, assembly, selection, and release of new Louisiana native plant materials.	500,000	500,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
UMASS-Amherst Ecological Conservation Initiative, MA	2010 University of Massachusetts	MA	To produce GIS mapping of high conservation value areas in the north quadrant of the state.	140,000	140,000	-
Conservation Planning, Massachusetts and Wisconsin	2010 Cape Cod Cranberry Growers Association and the Plymouth County Conservation District, Wisconsin State Cranberry Growers Association	MA, WI	To facilitate and accelerate the preparation of conservation plans with cranberry growers in Massachusetts by providing technical assistance focusing on environmental quality and the implementation of measures that protect water quality, irrigation water use and implementation of management practices for water conservation, and wetland conservation.	423,000	423,000	-
Weed It Now	2009 Nature Conservancy	MA	Eliminate invasive weeds from the Berkshire Taconic landscape in New York	45,000	45,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Deer Creek Watershed Conservation Restoration, Maryland	2010 Harford County, MD	MD	To assist in the implementation of the Deer Creek Watershed Restoration Action Strategy recommendations, promoting conservation efforts and completing stream bank restoration.	400,000	400,000	-
Great Lakes Basin Program for Soil Erosion and Sediment Control	2010 The Great Lakes Commission	MI,OH	Assess current NRCS evaluation tools, develop a web-based portal/online collaboration space for improved communication and information dissemination, conduct an analysis of the environmental merit of different management choices. Provide training on products delivered.	404,000	404,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Mississippi Conservation Initiative, NRCS Mississippi	2010 MS NRCS	MS	For assisting several sites or towns in Mississippi with drainage improvements.	2,000,000	2,000,000	-
Technical Assistance to Livestock/Poultry Producers, North Carolina	2010 North Carolina Department of Environment and Natural Resources - Division of Soil and Water Conservation	NC	Accelerate technical assistance to Livestock and Poultry producers in developing comprehensive nutrient management plans (CNMPs) and adopt environmentally superior waste treatment technology.	300,000	300,000	-
Town of Cary Swift Creek Stream Bank Restoration, North Carolina	2010 Town of Cary	NC	To determine the present condition of the communities, the plants and animals that populate the communities, and the current conditions of the landscape that may impact water quality (such as, erosive areas, stream degradation, etc).	199,000	199,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Technical Assistance to Livestock and Poultry Producers	2009 Dep. of Environment and Natural Resources, Div. of Soil and Water Conservation	NC	To assist livestock and poultry producers develop waste management plans and implement new and improved technology.	300,000	300,000	-
Great Plain Riparian Initiative, National Wild Turkey Federation	National Wild Turkey Federation Home office Edgefield, SC Western Region office in Allen, KS	NE	To improve wildlife habitat on riparian areas in Nebraska for wild turkey and other wildlife species.	500,000	500,000	-
Quabbin to Cardigan Conservation Initiative, New Hampshire	2010 Society for the Protection of NH Forests	NH	For habitat protection.	282,000	282,000	-
Conservation Technical Assistance in New Jersey	2010 NJ Dept. of Agriculture State Soil Conservation Committee, New Jersey Association of Conservation Districts, Burlington County Soil Conservation District	NJ	This funding supports the delivery of technical assistance to install conservation practices associated with both Federal and New Jersey agricultural cost share programs.	236,000	236,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Hudson River Shoreline	2009 Village of Tarrytown	NY	Pierson Park Restoration. Wetland habitat and environmental play area.	167,000	167,000	-
Genesee River Watershed, New York	2010 The Research Foundation of State University of New York - (SUNY Brockport)	NY	To study and identify water quality issues to provide a basis for prescribing Best Management Practices.	500,000	500,000	-
Maumee Watershed Hydrologic and Flood Mitigation	2009 Conservation Districts, Sister of Saint Frances, USGS, Toledo Botanical Garden, Sylvania Township, MI Dept. of Agriculture, Maumee River Watershed, Communications, Inc. Indiate State Department of Agriculture	OH	Keep the water clean and available in the Western Lake Erie Basin through Maumee River sediment studies and watershed treatment alternatives.	667,000	667,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Maumee Watershed Hydrologic and Flood Mitigation	2008 Several Recipients	OH	Keep the water clean and available in the Western Lake Erie Basin through Maumee River sediment studies and watershed treatment alternatives.	709,995	709,995	-
Maumee Watershed Hydrological and Flood Mitigation, Ohio	2010 Heidelberb University, Friendship New Vision Inc, City of Toledo, Toledo Botanical Garden, American Rivers Inc.	OH	To study river sediment loadings to the Maumee and determine alternatives for treatment in the watershed.	667,000	667,000	-
Nitrate Pollution Reduction	2009 University of Rhode Island	RI	Reduce nitrate pollution into Narragansett Bay	155,000	155,000	-
Nitrate Pollution Reduction, NRCS Rhode Island	2010 University of Rhode Island	RI	To develop nitrate control strategies with agricultural producers, landowners, and rural residents that reduce nitrate contamination at the source and at the aquifer and watershed scale.	155,000	155,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Conservation Technical Assistance in Tennessee	2010 NRCS Tennessee	TN	To provide as many as 351 local Federal conservationists to assist the current employees of NRCS and current District employees in implementing these growing programs.	1,000,000	1,000,000	-
Range Revegetation for Fort Hood	2009 Texas AgriLife	TX	Documentation of the efficacy of new and existing conservation practices designed to reduce soil erosion and improve water quality and vegetation growth on Ft. Hood/Cowhouse Creek Watershed	333,000	333,000	-
Range Revegetation for Fort Hood, Texas	2010 Texas Water Resources Institute	TX	To develop, install and monitor revegetation best management practices on Fort Hood utilizing composted dairy manure.	333,000	333,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Center for Invasive Species Eradication, Texas AgriLife Research, College Station, TX	2010 Texas Water Resources Institute	TX	To expand educational efforts to prevent the spread of giant Salvinia, an invasive species.	1,000,000	1,000,000	-
Utah Conservation Initiative	2009 Counties of Iron, Grand, Garfield; South Jordan City, Spanish fork city, Wasatch Conservation District; Conestoga Rovers Associates, inc. and State of Utah	UT	To provide funds for additional conservation operation needs within the state of Utah.	2,457,000	2,457,000	-
Utah Conservation Initiative	2008 Several Recipients	UT	To provide funds for additional conservation operation needs within the state of Utah.	2,625,678	2,625,678	-
Utah Conservation Initiative	2006 Several Recipients	UT	To provide funds for additional conservation operation needs within the state of Utah.	4,950,500	4,950,500	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Utah Conservation Initiative, NRCS Utah	2010 NRCS STC - UT	UT	To provide funds for additional conservation operation needs within the state of Utah.	2,500,000	2,500,000	-
Farm Viability Program	2009 Vermont Housing & Conservation Board	VT	To provide on-farm business planning and technical assistance	236,000	236,000	-
Phosphorus Loading in Lake Champlain	2008 Poultney-Mettowee NRCD	VT	To reduce phosphorus in Lake Champlain's Basin	178,740	178,740	-
Phosphorus Loading in Lake Champlain	2009 Poultney-Mettowee NRCD	VT	To reduce phosphorus in Lake Champlain's Basin	168,000	168,000	-
Farm Viability Program, Vermont Housing and Conservation Board	2010 Vermont Housing & Conservation Board	VT	To enhance the economic viability of Vermont agricultural producers by offering business planning services, technical advice, and other forms of assistance to which eligible farmers can voluntarily apply.	300,000	300,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Phosphorous Loading in Lake Champlain, Poultney Conservation District	2010 Poultney-Mettowee Natural Resources Conservation District	VT	Phosphorous Loading in Lake Champlain - to find new agricultural manure and wastewater management technologies that will reduce the nutrient content (particularly phosphorous) of agricultural waste streams.	179,000	179,000	-
Sand County Foundation	2008 Sand County Foundation	WI	Demonstrate & evaluate the cost-effectiveness of practices to reduce runoff of nitrogen from agricultural land into watersheds.	851,944	851,944	-
Sand County Foundation	2009 Sand County Foundation	WI	Demonstrate & evaluate the cost-effectiveness of practices to reduce runoff of nitrogen from agricultural land into watersheds.	892,000	892,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Environmental Compliance, WI Dairy Business Association	2009 Dairy Business Foundation	WI	Assist Wisconsin Dairy producers in meeting environmental compliance issues within the State of WI. To assist producers in complying w/Federal, State & local land use rules and laws.	207,000	207,000	-
Conservation Technology Transfer, University of Wisconsin	2009 Board of Regents, University of Wisconsin System	WI	Develop a comprehensive training program for conservation professionals in the public and private sectors.	516,000	516,000	-
Conservation Planning, Massachusetts and Wisconsin (Cranberry)	2009 Wisconsin Cranberry Growers Association	WI	Develop a "whole farm planning" process & nutrient management program to benefit the cranberry producers of the state.	211,500	211,500	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Driftless Area Initiative (MN and WI)	2009 Southwest Badger RC&D	WI	Contribute resources to the Driftless Area Initiative (DAI), an initiative aimed at developing a system that integrates all resource data available to identify and prioritize watersheds with the greatest potential to improve water quality with a targeted approach.	145,500	145,500	-
Conservation Technology Transfer, University of Wisconsin	2010 Board of Regents University of Wisconsin Systems, University of Wisconsin - Platteville	WI	To enhance the existing Farmer Certification Program for Nutrient Management, training program for conservation professionals and Technical Service Providers.	516,000	516,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Grazing Lands Conservation Initiative, Wisconsin	2010 Wisconsin Department of Agriculture, Trade, & Consumer Protection	WI	To enhance the technical assistance to Wisconsin producers wishing to switch to a grazing system or wanting to enhance their existing system.	835,000	835,000	-
Sand County Foundation, Wisconsin	2010 Sand County Foundation	WI	To demonstrate, test, and evaluate the cost effectiveness of techniques to reduce runoff of nitrogen from agricultural practices.	892,000	892,000	-
Soil Phosphorus Study	2008 West Virginia University Research Corp	WV	To provide technically sound data for decision-makers to use in assigning soil phosphorus retention values to major soil series.	215,481	215,481	-
Soil Phosphorus Study	2009 West Virginia University Research Corp	WV	To provide technically sound data for decision-makers to use in assigning soil phosphorus retention values to major soil series.	202,000	202,000	-

Project	Recipient	Location	Purpose	Appropriations	Obligations to date	Unobligated balances
Soil Phosphorus Studies, NRCS West Virginia	2010 WV NRCS	WV	To provide science-based information to assist landowners and nutrient management plans in the application of animal manure and P fertilizers to avoid P loading of surface waters and diminish water quality concerns.	202,000	202,000	-
Total Conservation Operations				46,291,979	46,290,280	1,699
Total Projects				105,120,902	100,038,970	5,081,932

*Note: These projects were shown as fully obligated last year and corrections were made to show actual obligation.

ALLOCATIONS

Mr. Kingston: Please provide a chart showing the final allocation for fiscal year 2011 and the estimated allocation for fiscal 2012 for conservation technical assistance and financial assistance for all discretionary and mandatory conservation programs managed by NRCS.

Response: The information is submitted for the record.

[The information follows:]

CONSERVATION PROGRAMS ALLOCATIONS - TECHNICAL/FINANCIAL ASSISTANCE
FY 2011 Actual (as of September 30, 2011) and
FY 2012 Estimate
Source: Foundation Financial Information System (FFIS)

FY 2011 Actual (as of September 30, 2011)

Discretionary Program	Technical Assistance	Financial Assistance	Total
Conservation Technical Assistance	$753,817,490	-	$753,817,490
Soil Survey	93,751,122	-	93,751,122
Snow Survey	10,247,452	-	10,247,452
Plant Materials Center	11,065,824	-	11,065,824
Emergency Watershed Protection	24,414,061	$79,865,173	104,279,234
Resource Conservation & Development	22,638,078	-	22,638,078
Watershed Operations, WF-03 (Flood)	1,583,741	10,749,000	12,332,741
Watershed Operations, WF-08 (Ops)	8,906,247	15,609,585	24,515,832
Watershed Rehab, WR-07	17,404,854	13,202,739	30,607,593
SUBTOTAL	943,828,869	119,426,497	1,063,255,366

Mandatory Program	Technical Assistance	Financial Assistance	Total
Agricultural Management Assistance Program	1,550,289	5,949,000	7,499,289
Agricultural Water Enhancement Program	14,552,119	59,228,142	73,780,261
Chesapeake Bay Watershed Program	12,730,293	60,617,752	73,348,045
Conservation Reserve Program	122,847,479	-	122,847,479
Conservation Security Program	21,274,000	180,411,281	201,685,281
Conservation Stewardship Program	70,818,388	526,209,824	597,028,212
Environmental Quality Incentives Program	337,731,000	900,269,000	1,238,000,000
Farm & Ranch Lands Protection Program	7,794,357	163,260,999	171,055,356
Grasslands Reserve Program	7,869,698	70,743,977	78,613,675
Healthy Forests Reserve Program	2,209,517	17,939,611	20,149,128
Wildlife Habitat Incentive Program	23,592,000	61,402,285	84,994,285
Wetlands Reserve Program	46,596,816	535,014,299	581,611,115
SUBTOTAL	669,565,956	2,581,046,170	3,250,612,126
GRAND TOTAL	1,613,394,825	2,700,472,667	4,313,867,492

FY 2012 Estimate

Discretionary Program	Technical Assistance	Financial Assistance	Total
Conservation Technical Assistance	$728,634,613	-	$728,634,613
Soil Survey	77,848,770	-	77,848,770
Snow Survey	9,213,799	-	9,213,799
Plant Materials Center	9,327,000	-	9,327,000
Emergency Watershed Protection	27,971,532	$206,840,471	234,812,003
Watershed Operations, WF-03 (Flood)	2,583,183	1,630,811	4,213,994
Watershed Operations, WF-08 (Ops)	5,919,360	7,689,105	13,608,465
Watershed Rehab, WR-07 (Rehab)	1,133,844	10,739,000	11,872,844

Discretionary Program	Technical Assistance	Financial Assistance	Total
Watershed Rehab, WR-84 (Rehab)	2,512,237	10,300,045	12,812,282
SUBTOTAL	865,144,338	237,199,432	1,102,343,770

Mandatory Program	Technical Assistance	Financial Assistance	Total
Agricultural Management Assistance Program	$517,000	$1,983,000	$2,500,000
Agricultural Water Enhancement Program	11,975,576	48,023,999	59,999,575
Chesapeake Bay Watershed Program	8,768,978	43,052,181	51,821,159
Conservation Reserve Program	78,914,871	-	78,914,871
Conservation Security Program	20,412,000	176,672,996	197,084,996
Conservation Stewardship Program	52,485,743	512,804,740	565,290,483
Environmental Quality Incentives Program	373,220,488	898,319,847	1,271,540,335
Farm & Ranch Lands Protection Program	6,827,379	131,981,442	138,808,821
Grasslands Reserve Program	6,129,004	53,217,324	59,346,328
Healthy Forests Reserve Program	1,571,380	7,676,231	9,247,611
Wildlife Habitat Incentive Program	8,610,812	2,016,869	10,627,681
Wetlands Reserve Program	67,297,256	499,903,469	567,200,725
SUBTOTAL	636,730,487	2,375,652,098	3,012,382,585
GRAND TOTAL	1,501,874,825	2,612,851,530	4,114,726,355

STATE BY STATE ALLOCATIONS

Mr. Kingston: Please provide a State-by-State summary of the final allocation for fiscal year 2011 and estimated allocation for fiscal year 2012 of conservation technical assistance and financial assistance for all discretionary and mandatory conservation programs managed by NRCS.

Response: The information is submitted for the record.

[The information follows:]

Conservation Technical Assistance (CTA) Allocations
FY 2011 Actual (as of September 30, 2011) and
FY 2012 Estimate
Source: Foundation Financial Information System (FFIS)

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Alabama	$10,239,552	-	$10,239,552	$9,188,345	-	$9,188,345
Alaska	3,679,089	-	3,679,089	2,529,370	-	2,529,370
Arizona	6,802,846	-	6,802,846	5,228,916	-	5,228,916
Arkansas	11,793,980	-	11,793,980	9,712,095	-	9,712,095
California	18,896,015	-	18,896,015	14,765,143	-	14,765,143
Colorado	13,826,773	-	13,826,773	12,809,555	-	12,809,555
Connecticut	3,814,872	-	3,814,872	2,599,378	-	2,599,378
Delaware	2,369,308	-	2,369,308	1,618,781	-	1,618,781
Florida	8,915,372	-	8,915,372	7,356,178	-	7,356,178
Georgia	13,041,075	-	13,041,075	11,266,927	-	11,266,927
Pacific Islands Area	6,408,928	-	6,408,928	6,215,253	-	6,215,253
Idaho	9,961,762	-	9,961,762	8,190,044	-	8,190,044
Illinois	16,452,504	-	16,452,504	14,105,061	-	14,105,061
Indiana	11,845,637	-	11,845,637	10,469,053	-	10,469,053
Iowa	23,126,628	-	23,126,628	19,746,778	-	19,746,778
Kansas	19,145,467	-	19,145,467	17,285,753	-	17,285,753
Kentucky	12,224,194	-	12,224,194	11,433,016	-	11,433,016
Louisiana	10,203,577	-	10,203,577	8,004,486	-	8,004,486
Maine	4,669,119	-	4,669,119	3,632,789	-	3,632,789
Maryland	5,240,245	-	5,240,245	3,931,361	-	3,931,361
Massachusetts	4,087,590	-	4,087,590	2,632,262	-	2,632,262
Michigan	11,334,987	-	11,334,987	9,751,233	-	9,751,233
Minnesota	14,748,591	-	14,748,591	12,255,202	-	12,255,202
Mississippi	12,314,988	-	12,314,988	11,991,518	-	11,991,518
Missouri	19,631,492	-	19,631,492	19,140,272	-	19,140,272
Montana	15,694,110	-	15,694,110	13,763,397	-	13,763,397
Nebraska	17,019,204	-	17,019,204	15,437,277	-	15,437,277
Nevada	3,418,101	-	3,418,101	2,479,678	-	2,479,678
New Hampshire	3,496,045	-	3,496,045	2,413,316	-	2,413,316
New Jersey	4,356,332	-	4,356,332	3,512,346	-	3,512,346
New Mexico	8,405,754	-	8,405,754	7,442,173	-	7,442,173
New York	10,411,828	-	10,411,828	7,938,774	-	7,938,774
North Carolina	10,993,478	-	10,993,478	8,680,199	-	8,680,199
North Dakota	14,959,593	-	14,959,593	12,183,979	-	12,183,979
Ohio	12,595,445	-	12,595,445	9,820,624	-	9,820,624
Oklahoma	15,790,953	-	15,790,953	14,894,354	-	14,894,354
Oregon	9,989,274	-	9,989,274	8,408,772	-	8,408,772

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Pennsylvania	10,472,048	-	10,472,048	8,637,943	-	8,637,943
Rhode Island	2,801,306	-	2,801,306	1,599,512	-	1,599,512
South Carolina	7,930,240	-	7,930,240	6,912,361	-	6,912,361
South Dakota	12,911,536	-	12,911,536	11,715,231	-	11,715,231
Tennessee	12,518,331	-	12,518,331	11,296,072	-	11,296,072
Texas	41,587,091	-	41,587,091	36,890,700	-	36,890,700
Utah	6,956,034	-	6,956,034	4,906,194	-	4,906,194
Vermont	3,614,136	-	3,614,136	2,949,338	-	2,949,338
Virginia	9,451,446	-	9,451,446	8,151,666	-	8,151,666
Washington	11,104,316	-	11,104,316	9,615,940	-	9,615,940
West Virginia	5,816,603	-	5,816,603	6,484,061	-	6,484,061
Wisconsin	13,905,481	-	13,905,481	12,146,419	-	12,146,419
Wyoming	8,187,655	-	8,187,655	6,609,762	-	6,609,762
Puerto Rico	4,105,641	-	4,105,641	3,306,304	-	3,306,304
TOTAL	553,266,572	-	553,266,572	474,055,161	-	474,055,161

Soil Survey (CO-02) Allocations
FY 2011 Actual (as of September 30, 2011) and
FY 2012 Estimate
Source: Foundation Financial Information System (FFIS)

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Alabama	$1,856,060	-	$1,856,060	$1,410,000	-	$1,410,000
Alaska	1,253,757	-	1,253,757	1,389,634	-	1,389,634
Arizona	2,154,523	-	2,154,523	2,053,388	-	2,053,388
Arkansas	1,397,883	-	1,397,883	1,004,570	-	1,004,570
California	3,283,100	-	3,283,100	2,476,000	-	2,476,000
Colorado	2,263,386	-	2,263,386	1,546,000	-	1,546,000
Connecticut	655,028	-	655,028	499,000	-	499,000
Delaware	184,044	-	184,044	116,000	-	116,000
Florida	1,190,955	-	1,190,955	1,023,000	-	1,023,000
Georgia	1,524,174	-	1,524,174	1,222,000	-	1,222,000
Pacific Islands Area	556,708	-	556,708	484,168	-	484,168
Idaho	1,121,334	-	1,121,334	752,000	-	752,000
Illinois	1,237,093	-	1,237,093	1,015,000	-	1,015,000
Indiana	1,223,167	-	1,223,167	1,023,000	-	1,023,000
Iowa	1,130,961	-	1,130,961	805,000	-	805,000
Kansas	1,669,250	-	1,669,250	1,358,000	-	1,358,000
Kentucky	1,522,500	-	1,522,500	1,078,000	-	1,078,000
Louisiana	833,140	-	833,140	677,000	-	677,000
Maine	958,359	-	958,359	991,000	-	991,000
Maryland	756,954	-	756,954	520,000	-	520,000
Massachusetts	685,205	-	685,205	508,000	-	508,000
Michigan	1,176,923	-	1,176,923	1,023,000	-	1,023,000
Minnesota	2,243,300	-	2,243,300	1,868,000	-	1,868,000
Mississippi	1,057,549	-	1,057,549	807,000	-	807,000
Missouri	1,973,508	-	1,973,508	1,449,974	-	1,449,974
Montana	2,619,535	-	2,619,535	2,315,000	-	2,315,000
Nebraska	1,762,861	-	1,762,861	1,590,000	-	1,590,000
Nevada	1,132,571	-	1,132,571	1,141,000	-	1,141,000

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
New Hampshire	227,996	-	227,996	140,000	-	140,000
New Jersey	566,291	-	566,291	424,000	-	424,000
New Mexico	1,261,207	-	1,261,207	1,011,000	-	1,011,000
New York	1,574,552	-	1,574,552	1,126,268	-	1,126,268
North Carolina	1,507,022	-	1,507,022	1,133,000	-	1,133,000
North Dakota	1,974,660	-	1,974,660	1,674,000	-	1,674,000
Ohio	1,050,349	-	1,050,349	573,000	-	573,000
Oklahoma	1,351,068	-	1,351,068	1,024,700	-	1,024,700
Oregon	2,036,806	-	2,036,806	1,555,000	-	1,555,000
Pennsylvania	910,604	-	910,604	531,000	-	531,000
Rhode Island	198,217	-	198,217	127,000	-	127,000
South Carolina	765,822	-	765,822	656,000	-	656,000
South Dakota	1,354,349	-	1,354,349	1,081,000	-	1,081,000
Tennessee	1,310,882	-	1,310,882	921,048	-	921,048
Texas	4,344,843	-	4,344,843	3,757,000	-	3,757,000
Utah	1,188,202	-	1,188,202	909,000	-	909,000
Vermont	667,981	-	667,981	500,000	-	500,000
Virginia	1,266,018	-	1,266,018	888,000	-	888,000
Washington	1,332,866	-	1,332,866	1,007,000	-	1,007,000
West Virginia	1,495,952	-	1,495,952	923,000	-	923,000
Wisconsin	1,270,092	-	1,270,092	1,051,000	-	1,051,000
Wyoming	1,400,065	-	1,400,065	977,000	-	977,000
Puerto Rico	360,485	-	360,485	251,000	-	251,000
TOTAL	68,840,157	-	68,840,157	54,384,750	-	54,384,750

Snow Survey (CO-45) Allocations
FY 2011 Actual (as of September 30, 2011) and
FY 2012 Estimate
Source: Foundation Financial Information System (FFIS)

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Alaska	$566,217	-	$566,217	$533,087	-	$533,087
Arizona	161,487	-	161,487	135,160	-	135,160
California	128,072	-	128,072	61,213	-	61,213
Colorado	1,264,501	-	1,264,501	1,050,072	-	1,050,072
Idaho	962,774	-	962,774	867,042	-	867,042
Montana	1,127,469	-	1,127,469	999,421	-	999,421
Nevada	253,974	-	253,974	207,929	-	207,929
New Mexico	196,960	-	196,960	141,553	-	141,553
Oregon	1,092,782	-	1,092,782	987,264	-	987,264
Utah	1,145,059	-	1,145,059	1,023,568	-	1,023,568
Washington	214,782	-	214,782	208,734	-	208,734
Wyoming	257,938	-	257,938	202,666	-	202,666
Undistributed	-	-	-	-	-	-
TOTAL	7,372,015	-	7,372,015	6,417,709	-	6,417,709

Plants Material Center (CO-46) Allocations FY 2011 Actual (as of September 30, 2011) and FY 2012 Estimate

Source: Foundation Financial Information System (FFIS)

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Alaska	$81,581	-	$81,581		-	-
Arizona	425,548	-	425,548	400,000	-	400,000
Arkansas	339,245	-	339,245	330,000	-	330,000
California	476,633	-	476,633	400,000	-	400,000
Colorado	234,461	-	234,461	170,000	-	170,000
Florida	422,056	-	422,056	336,000	-	336,000
Georgia	317,356	-	317,356	295,000	-	295,000
Pacific Islands Area	295,040	-	295,040	406,000	-	406,000
Idaho	319,064	-	319,064	390,000	-	390,000
Kansas	451,289	-	451,289	360,000	-	360,000
Louisiana	354,000	-	354,000	310,000	-	310,000
Maryland	514,088	-	514,088	463,246	-	463,246
Michigan	329,969	-	329,969	320,000	-	320,000
Mississippi	268,010	-	268,010	265,000	-	265,000
Missouri	402,730	-	402,730	300,000	-	300,000
Montana	351,543	-	351,543	360,000	-	360,000
Nevada	228,738	-	228,738	200,000	-	200,000
New Jersey	408,946	-	408,946	365,000	-	365,000
New Mexico	379,722	-	379,722	361,000	-	361,000
New York	363,000	-	363,000	324,654	-	324,654
North Dakota	479,703	-	479,703	410,000	-	410,000
Oregon	353,396	-	353,396	355,000	-	355,000
Texas	1,177,338	-	1,177,338	940,000	-	940,000
Washington	300,369	-	300,369	320,000	-	320,000
West Virginia	243,171	-	243,171	280,000	-	280,000
Puerto Rico	65,000	-	65,000	-	-	-
TOTAL	9,581,996	-	9,581,996	8,660,900	-	8,660,900

Emergency Watershed Protection (EWP) Allocations FY 2011 Actual (as of September 30, 2011) and FY 2012 Estimate

Source: Foundation Financial Information System (FFIS)

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Alabama	$217,838	$79,326	$297,165	$1,553,637	$8,016,376	$9,570,013
Alaska	733,888	2,750,000	3,483,888	1,037,888	7,035,000	8,072,888
Arizona	340,775	1,000,000	1,340,775	443,857	4,344,750	4,788,607
Arkansas	289,410	1,009,600	1,299,010	402,440	4,709,000	5,111,440
California	507,797	2,238,850	2,746,647	106,466	527,984	634,450
Colorado	280,000	1,800,000	2,080,000	10,792	-	10,792
Connecticut	118,400	542,000	660,400	136,994	894,500	1,031,494
Delaware	50,000	200,000	250,000	-	-	-
Florida	1,042,830	4,085,827	5,128,657	994,031	6,167,500	7,161,531
Georgia	328,432	975,000	1,303,432	41,625	416,300	457,925
Pacific Islands Area	237,103	203,106	440,209	8,926	158,656	167,582

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Idaho	100,000	500,000	600,000	-	-	-
Illinois	100,000	500,000	600,000	-	-	-
Indiana	235,522	1,177,611	1,413,133	260,665	1,541,780	1,802,445
Iowa	463,936	2,615,600	3,079,536	10,000	112,000	122,000
Kansas	9,000	45,000	54,000	43,407	217,035	260,442
Kentucky	2,431,807	9,418,122	11,849,929	899,863	5,744,100	6,643,963
Louisiana	100,000	517,545	617,545	5,056	25,282	30,338
Maine	61,879	200,000	261,879	29,000	145,000	174,000
Maryland	50,000	200,000	250,000	-	-	-
Massachusetts	566,725	3,071,625	3,638,350	714,880	4,368,225	5,083,105
Michigan	-	-	-	-	-	-
Minnesota	40,000	200,000	240,000	58,950	469,500	528,450
Mississippi	1,736,279	2,329,251	4,065,530	827,494	4,503,513	5,331,007
Missouri	2,987,950	5,884,443	8,872,393	3,595,087	32,804,707	36,399,794
Montana	1,064,896	5,327,481	6,392,377	703,227	2,806,455	3,509,682
Nebraska	-	-	-	112,898	939,488	1,052,386
Nevada	-	-	-	78,435	784,350	862,785
New Hampshire	78,469	285,835	364,304	220,071	1,813,105	2,033,176
New Jersey	50,000	200,000	250,000	171,000	1,530,000	1,701,000
New Mexico	100,000	500,000	600,000	-	-	-
New York	434,722	1,245,616	1,680,338	3,335,191	33,170,114	36,505,305
North Carolina	141,610	500,000	641,610	100,000	500,000	600,000
North Dakota	430,351	1,156,895	1,587,246	370,429	1,413,606	1,784,035
Ohio	60,600	323,000	383,600	240,800	2,755,800	2,996,600
Oklahoma	799,122	1,708,885	2,508,007	485,692	4,856,928	5,342,620
Oregon	31,523	-	31,523	-	-	-
Pennsylvania	50,000	388,745	438,745	1,242,000	11,398,745	12,640,745
Rhode Island	189,185	1,261,478	1,450,663	568,650	5,595,560	6,164,210
South Carolina	131,500	200,000	331,500	-	-	-
South Dakota	47,772	244,409	292,181	-	32,584	32,584
Tennessee	3,147,737	13,831,835	16,979,572	1,829,239	7,089,324	8,918,563
Texas	1,243,528	3,258,489	4,502,017	717,129	5,830,300	6,547,429
Utah	2,313,872	4,800,000	7,113,872	6,891,257	50,140,668	57,031,925
Vermont	100,000	500,000	600,000	924,640	7,289,973	8,214,613
Virginia	90,977	393,898	484,875	3,572	49,498	53,070
Washington	-	-	-	-	-	-
West Virginia	342,103	1,245,541	1,587,644	-	907,476	907,476
Wisconsin	124,000	120,000	244,000	-	-	-
Wyoming	100,000	630,160	730,160	29,800	156,160	185,960
Puerto Rico	50,000	200,000	250,000	150,000	1,500,000	1,650,000
TOTAL	24,151,539	79,865,173	104,016,712	29,355,088	222,761,342	252,116,430

Resource Conservation & Development (RC&D) Allocations
FY 2011 Actual (as of September 30, 2011) and
FY 2012 Estimate
Source: Foundation Financial Information System (FFIS)

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Alabama	$576,395	-	$576,395	-	-	-
Alaska	430,200	-	430,200	-	-	-
Arizona	344,228	-	344,228	-	-	-
Arkansas	349,874	-	349,874	-	-	-

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
California	669,100	-	669,100	-	-	-
Colorado	388,600	-	388,600	-	-	-
Connecticut	147,300	-	147,300	-	-	-
Delaware	65,400	-	65,400	-	-	-
Florida	412,154	-	412,154	-	-	-
Georgia	557,850	-	557,850	-	-	-
Pacific Islands Area	401,175	-	401,175	-	-	-
Idaho	452,100	-	452,100	-	-	-
Illinois	564,623	-	564,623	-	-	-
Indiana	518,676	-	518,676	-	-	-
Iowa	845,626	-	845,626	-	-	-
Kansas	518,100	-	518,100	-	-	-
Kentucky	756,029	-	756,029	-	-	-
Louisiana	461,900	-	461,900	-	-	-
Maine	317,460	-	317,460	-	-	-
Maryland	184,846	-	184,846	-	-	-
Massachusetts	200,484	-	200,484	-	-	-
Michigan	460,412	-	460,412	-	-	-
Minnesota	356,110	-	356,110	-	-	-
Mississippi	393,234	-	393,234	-	-	-
Missouri	478,252	-	478,252	-	-	-
Montana	418,900	-	418,900	-	-	-
Nebraska	744,900	-	744,900	-	-	-
Nevada	197,468	-	197,468	-	-	-
New Hampshire	123,851	-	123,851	-	-	-
New Jersey	115,700	-	115,700	-	-	-
New Mexico	450,600	-	450,600	-	-	-
New York	511,300	-	511,300	-	-	-
North Carolina	599,255	-	599,255	-	-	-
North Dakota	481,506	-	481,506	-	-	-
Ohio	514,275	-	514,275	-	-	-
Oklahoma	483,052	-	483,052	-	-	-
Oregon	318,949	-	318,949	-	-	-
Pennsylvania	611,842	-	611,842	-	-	-
Rhode Island	45,500	-	45,500	-	-	-
South Carolina	300,546	-	300,546	-	-	-
South Dakota	345,784	-	345,784	-	-	-
Tennessee	485,337	-	485,337	-	-	-
Texas	1,177,775	-	1,177,775	-	-	-
Utah	406,693	-	406,693	-	-	-
Vermont	124,400	-	124,400	-	-	-
Virginia	354,900	-	354,900	-	-	-
Washington	358,800	-	358,800	-	-	-
West Virginia	357,496	-	357,496	-	-	-
Wisconsin	412,886	-	412,886	-	-	-
Wyoming	329,068	-	329,068	-	-	-
Puerto Rico	213,700	-	213,700	-	-	-
TOTAL	21,334,611	-	21,334,611	-	-	-

Watershed & Flood Prevention (WF-03) Allocations
FY 2011 Actual (as of September 30, 2011) and
FY 2012 Estimate
Source: Foundation Financial Information System (FFIS)

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Iowa	$162,857	-	$162,857	$100,000	-	$100,000
Oklahoma	-	$10,000	10,000		-	-
Texas	139,000	-	139,000	2,000	-	2,000
West Virginia	1,281,884	10,739,000	12,020,884	1,031,844	10,739,000	11,770,844
TOTAL	1,583,741	10,749,000	12,332,741	1,133,844	10,739,000	11,872,844

Watershed & Flood Prevention (WF-08) Allocations
FY 2011 Actual (as of September 30, 2011) and
FY 2012 Estimate
Source: Foundation Financial Information System (FFIS)

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Alaska	$2,274,685	$1,500,000	$3,774,685	$35,000	$10,324	$45,324
Arizona	300,000	-	300,000	170,000	-	170,000
California	685,695	2,607,000	3,292,695	581,489	1,492,000	2,073,489
Colorado	3,500	-	3,500	-	-	-
Pacific Islands Area	1,249,970	860,000	2,109,970	293,767	-	293,767
Illinois	2,000	-	2,000	-	-	-
Iowa	385,884	769,000	1,154,884	165,000	-	165,000
Kansas	3,000	13,000	16,000	2,300	11,600	13,900
Kentucky	3,738	13,150	16,888	27,908	87,000	114,908
Louisiana	25,000	-	25,000	-	-	-
Massachusetts	87,000		87,000	-	-	-
Minnesota	230,000	850,000	1,080,000	47,000	470,000	517,000
Missouri	356,900	5,084,381	5,441,281	50,000	5,084,271	5,134,271
Nebraska	157,665	-	157,665	105,672	-	105,672
North Carolina	50,000	-	50,000	-	-	-
Pennsylvania	249,499	-	249,499	86,000	93,150	179,150
Rhode Island	321,860	-	321,860	-	-	-
Tennessee	50,000		50,000	-	-	-
Texas	832,000	300,000	1,132,000	427,524	12,000	439,524
Virginia	95,000	1,263	96,263	-	-	-
Washington	-	-	-	-	40,000	40,000
West Virginia	1,064,851	3,611,791	4,676,642	66,727	2,999,700	3,066,427
TOTAL	8,428,247	15,609,585	24,037,832	2,058,387	10,300,045	12,358,432

Watershed Rehabilitation (WR-07) Allocations
FY 2011 Actual (as of September 30, 2011) and
FY 2012 Estimate

Source: Foundation Financial Information System (FFIS)

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Alabama	-	-	-	-	-	-
Arizona	$1,367,164	$5,200,000	$6,567,164	-	-	-
Arkansas	51,859	-	51,859	-	-	-
Colorado	382,297	-	382,297	-	-	-
Georgia	363,189	-	363,189	-	-	-
Iowa	-	-	-	-	-	-
Kansas	365,263	1,879,327	2,244,590	-	$600,000	$600,000
Kentucky	42,447	-	42,447	-	-	-
Louisiana	-	-	-	-	-	-
Massachusetts	715,020	41,607	756,627	319,900	335,650	655,550
Mississippi	143,025	-	143,025	-	-	-
Missouri	374,370	-	374,370	-	-	-
Nebraska	1,608,888	500,000	2,108,888	-	-	-
New Jersey	133,128	-	133,128	-	-	-
New Mexico	149,877	-	149,877	-	-	-
New York	281,863	-	281,863	-	-	-
North Dakota	589,644	3,725,280	4,314,924	-	9,266	9,266
Ohio	233,183	-	233,183	-	-	-
Oklahoma	2,444,052	700,000	3,144,052	-	75,000	75,000
Pennsylvania	782,463	-	782,463	-	-	-
South Carolina	-	-	-	-	-	-
Tennessee	82,522	13,275	95,797	-	-	-
Texas	1,389,288	1,120,000	2,509,288	265,483	-	265,483
Utah	781,095	-	781,095	-	-	-
Virginia	599,799	23,250	623,049	-	610,895	610,895
Washington	107,373	-	107,373	-	-	-
West Virginia	683,635	-	683,635	-	-	-
Wisconsin	45,951	-	45,951	-	-	-
Wyoming	359,911	-	359,911	133,500	-	133,500
TOTAL	14,077,306	13,202,739	27,280,045	718,883	1,630,811	2,349,694

Watershed Rehabilitation (WR-84) Allocations
FY 2011 Actual (as of September 30, 2011) and
FY 2012 Estimate
Source: Foundation Financial Information System (FFIS)

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Arizona	-	-	-	$907,789	-	$907,789
Georgia	-	-	-	50,000	-	50,000
Kansas	-	-	-	159,365	-	159,365
Massachusetts	-	-	-	347,690	-	347,690
Mississippi	-	-	-	105,000	-	105,000
Missouri	-	-	-	200,000	-	200,000
Nebraska	-	-	-	926,168	-	926,168
New Mexico	-	-	-	224,244	-	224,244
New York	-	-	-	199,881	-	199,881
North Dakota	-	-	-	459,230	$6,500,000	6,959,230
Ohio	-	-	-	15,000	-	15,000
Oklahoma	-	-	-	314,256	-	314,256
Pennsylvania	-	-	-	81,303	-	81,303
Texas	-	-	-	531,000	-	531,000
Utah	-	-	-	290,000	-	290,000
Virginia	-	-	-	488,122	1,189,105	1,677,227
West Virginia	-	-	-	612,610	-	612,610
TOTAL	-	-	-	5,911,658	7,689,105	13,600,763

Agricultural Management Assistance (AMA) Allocations
FY 2011 Actual (as of September 30, 2011) and
FY 2012 Estimate
Source: Foundation Financial Information System (FFIS)

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Connecticut	$32,371	$25,762	$58,133	$17,835	$99,896	$117,731
Delaware	48,855	24,430	73,285	13,187	70,833	84,020
Pacific Islands Area	48,458	102,763	151,221	15,371	110,287	125,658
Maine	164,176	2,185,208	2,349,384	35,610	294,323	329,933
Maryland	88,400	60,923	149,323	24,349	83,333	107,682
Massachusetts	52,466	423,845	476,311	21,833	130,806	152,639
Nevada	42,370	81,803	124,173	16,417	66,667	83,084
New Hampshire	22,369	20,896	43,265	17,164	104,367	121,531
New Jersey	73,020	337,301	410,321	28,408	139,564	167,972
New York	198,360	596,573	794,933	60,480	157,180	217,660
Pennsylvania	228,506	689,325	917,831	61,049	168,051	229,100
Rhode Island	17,171	53,980	71,151	4,134	20,507	24,641
Utah	111,444	221,528	332,972	35,691	167,355	203,046

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Vermont	175,996	138,256	314,252	33,480	97,670	131,150
West Virginia	82,541	361,222	443,763	36,089	136,080	172,169
Wyoming	162,628	625,185	787,813	50,404	136,081	186,485
TOTAL	1,549,131	5,949,000	7,498,131	471,501	1,983,000	2,454,501

Agricultural Water Enhancement Program (AWEP) Allocations FY 2011 Actual (as of September 30, 2011) and FY 2012 Estimate

Source: Foundation Financial Information System (FFIS)

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Alabama	$237,566	$733,359	$970,925	$154,542	$996,843	$1,151,385
Arkansas	191,191	1,854,731	2,045,922	205,076	830,703	1,035,779
California	3,115,586	18,154,260	21,269,846	2,158,237	12,254,981	14,413,218
Colorado	189,898	1,029,617	1,219,515	130,227	813,476	943,703
Florida	309,279	758,521	1,067,800	60,775	-	60,775
Georgia	418,402	1,321,450	1,739,852	401,727	1,336,289	1,738,016
Idaho	734,446	4,323,331	5,057,777	631,876	4,977,127	5,609,003
Illinois	39,054	-	39,054	10,512	74,969	85,481
Indiana	141,720	1,213,151	1,354,871	209,439	1,188,687	1,398,126
Iowa	61,786	102,466	164,252	19,205	99,030	118,235
Kansas	604,695	4,429,774	5,034,469	588,139	3,819,398	4,407,537
Michigan	359,402	3,160,324	3,519,726	456,652	2,616,763	3,073,415
Minnesota	348,542	935,674	1,284,216	217,947	1,825,859	2,043,806
Mississippi	443,216	2,825,072	3,268,288	354,752	2,118,292	2,473,044
Montana	126,369	412,548	538,917	54,784	416,844	471,628
Nebraska	732,153	4,719,334	5,451,487	460,533	1,246,054	1,706,587
New Jersey	54,072	124,520	178,592	42,960	249,211	292,171
New Mexico	191,492	27,918	219,410	63,602	62,303	125,905
New York	122,607	315,953	438,560	71,109	398,737	469,846
North Carolina	41,593	83,311	124,904	11,309	31,151	42,460
North Dakota	553,955	2,390,543	2,944,498	446,696	2,084,860	2,531,556
Oklahoma	221,811	1,099,981	1,321,792	108,447	666,951	775,398
Oregon	598,146	2,432,410	3,030,556	396,588	2,036,555	2,433,143
South Dakota	113,104	170,394	283,498	53,770	365,171	418,941
Texas	772,160	5,275,106	6,047,266	730,349	5,747,426	6,477,775
Washington	216,256	631,915	848,171	134,874	917,859	1,052,733
Wyoming	131,241	702,479	833,720	100,782	848,460	949,242
TOTAL	11,069,742	59,228,142	70,297,884	8,274,909	48,023,999	56,298,908

Chesapeake Bay Watershed Program Allocations FY 2011 Actual (as of September 30, 2011) and FY 2012 Estimate

Source: Foundation Financial Information System (FFIS)

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Delaware	$849,915	$3,492,301	$4,342,216	$266,813	$1,657,325	$1,924,138
Maryland	2,071,906	12,628,476	14,700,382	1,139,992	7,638,196	8,778,188
New York	322,589	3,571,394	3,893,983	258,125	2,478,008	2,736,133

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Pennsylvania	3,564,458	19,372,111	22,936,569	2,433,982	15,129,896	17,563,878
Virginia	2,724,220	16,653,347	19,377,567	1,586,493	12,496,311	14,082,804
West Virginia	1,034,917	4,900,123	5,935,040	431,822	3,652,445	4,084,267
TOTAL	10,568,005	60,617,752	71,185,757	6,117,227	43,052,181	49,169,408

Conservation Reserve Program (CRP) Allocations
FY 2011 Actual (as of September 30, 2011) and
FY 2012 Estimate
Source: Foundation Financial Information System (FFIS)

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Alabama	$1,996,437	-	$1,996,437	$465,562	-	$465,562
Alaska	58,179	-	58,179	2,487	-	2,487
Arkansas	796,182	-	796,182	438,199	-	438,199
California	358,380	-	358,380	46,123	-	46,123
Colorado	3,663,119	-	3,663,119	1,071,699	-	1,071,699
Connecticut	2,325	-	2,325	3,900	-	3,900
Delaware	96,011	-	96,011	54,390	-	54,390
Florida	238,001	-	238,001	61,405	-	61,405
Georgia	1,147,845	-	1,147,845	627,881	-	627,881
Pacific Islands Area	128,370	-	128,370	94,383	-	94,383
Idaho	1,144,647	-	1,144,647	361,785	-	361,785
Illinois	10,063,714	-	10,063,714	8,520,075	-	8,520,075
Indiana	6,881,666	-	6,881,666	5,287,732	-	5,287,732
Iowa	7,153,754	-	7,153,754	7,764,068	-	7,764,068
Kansas	6,536,132	-	6,536,132	4,199,980	-	4,199,980
Kentucky	2,086,871	-	2,086,871	1,925,513	-	1,925,513
Louisiana	439,304	-	439,304	254,431	-	254,431
Maine	137,928	-	137,928	58,757	-	58,757
Maryland	722,022	-	722,022	901,169	-	901,169
Massachusetts	52,535	-	52,535	3,379	-	3,379
Michigan	1,397,559	-	1,397,559	1,000,885	-	1,000,885
Minnesota	7,986,442	-	7,986,442	6,296,448	-	6,296,448
Mississippi	4,537,857	-	4,537,857	920,675	-	920,675
Missouri	7,331,954	-	7,331,954	2,601,598	-	2,601,598
Montana	1,639,562	-	1,639,562	487,753	-	487,753
Nebraska	3,459,576	-	3,459,576	1,967,536	-	1,967,536
Nevada	2,767	-	2,767	160	-	160
New Hampshire	-	-	-	141	-	141
New Jersey	162,080	-	162,080	42,098	-	42,098
New Mexico	602,177	-	602,177	105,747	-	105,747
New York	347,872	-	347,872	168,031	-	168,031
North Carolina	1,097,179	-	1,097,179	497,472	-	497,472
North Dakota	3,037,060	-	3,037,060	2,362,872	-	2,362,872
Ohio	2,793,932	-	2,793,932	4,113,214	-	4,113,214
Oklahoma	2,721,929	-	2,721,929	607,415	-	607,415
Oregon	1,147,442	-	1,147,442	283,187	-	283,187
Pennsylvania	1,279,694	-	1,279,694	1,686,802	-	1,686,802
South Carolina	791,444	-	791,444	661,666	-	661,666
South Dakota	3,428,283	-	3,428,283	2,899,972	-	2,899,972

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Tennessee	1,046,448	-	1,046,448	549,009	-	549,009
Texas	6,289,814	-	6,289,814	1,770,519	-	1,770,519
Utah	1,109,063	-	1,109,063	140,650	-	140,650
Vermont	88,276	-	88,276	35,901	-	35,901
Virginia	837,481	-	837,481	568,731	-	568,731
Washington	1,395,898	-	1,395,898	1,149,993	-	1,149,993
West Virginia	109,237	-	109,237	43,008	-	43,008
Wisconsin	2,845,750	-	2,845,750	1,540,162	-	1,540,162
Wyoming	655,931	-	655,931	121,274	-	121,274
Puerto Rico	-	-	-	7,235	-	7,235
TOTAL	101,846,128	-	101,846,128	64,773,072	-	64,773,072

Note: CRP financial assistance is provided through FSA.

Conservation Security Program (CSP) Allocations
FY 2011 Actual (as of September 30, 2011) and
FY 2012 Estimate
Source: Foundation Financial Information System (FFIS)

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Alabama	$170,771	$1,234,089	$1,404,860	$81,041	$1,130,433	$1,211,474
Alaska	36,798	17,351	54,149	3,149	15,878	19,027
Arizona	73,579	194,291	267,870	12,862	163,683	176,545
Arkansas	324,280	5,705,821	6,030,101	540,182	5,536,695	6,076,877
California	354,969	3,586,067	3,941,036	283,619	3,311,368	3,594,987
Colorado	367,082	2,778,156	3,145,238	191,628	2,541,972	2,733,600
Connecticut	28,354	34,925	63,279	9,269	30,547	39,816
Delaware	69,119	422,638	491,757	32,480	367,683	400,163
Florida	98,468	11,060	109,528			-
Georgia	275,482	2,311,008	2,586,490	168,139	2,225,079	2,393,218
Pacific Islands Area	61,361	336,248	397,609	21,979	302,569	324,548
Idaho	630,662	10,598,674	11,229,336	606,676	10,652,787	11,259,463
Illinois	315,157	6,665,481	6,980,638	482,960	6,725,515	7,208,475
Indiana	241,595	5,699,674	5,941,269	419,184	5,685,114	6,104,298
Iowa	525,522	17,320,411	17,845,933	1,211,921	17,424,183	18,636,104
Kansas	696,442	6,496,273	7,192,715	438,051	6,174,340	6,612,391
Kentucky	103,750	273,545	377,295	33,014	249,799	282,813
Louisiana	86,696	156,092	242,788	18,507	156,845	175,352
Maine	62,057	552,983	615,040	62,765	537,018	599,783
Maryland	344,193	2,254,147	2,598,340	233,898	1,899,627	2,133,525
Massachusetts	38,800	23,737	62,537	6,455	24,064	30,519
Michigan	395,080	5,016,086	5,411,166	419,174	4,860,328	5,279,502
Minnesota	588,446	4,606,707	5,195,153	310,748	4,632,415	4,943,163
Mississippi	130,349	189,820	320,169	25,885	182,659	208,544
Missouri	1,634,175	21,688,267	23,322,442	1,322,453	21,663,864	22,986,317
Montana	532,348	8,138,712	8,671,060	458,737	8,125,111	8,583,848
Nebraska	767,586	8,402,268	9,169,854	703,652	7,956,914	8,660,566
Nevada	36,156	203,240	239,396	22,440	190,819	213,259
New Hampshire	23,364	2,172	25,536	1,360	1,920	3,280
New Jersey	32,341	91,077	123,418	11,240	85,854	97,094
New Mexico	127,607	950,797	1,078,404	67,671	964,583	1,032,254
New York	104,207	735,751	839,958	86,083	635,597	721,680

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
North Carolina	162,404	705,014	867,418	42,624	648,403	691,027
North Dakota	606,536	6,746,311	7,352,847	378,557	6,493,973	6,872,530
Ohio	712,364	12,280,801	12,993,165	890,401	11,920,255	12,810,656
Oklahoma	409,659	3,568,766	3,978,425	394,908	3,244,359	3,639,267
Oregon	1,004,550	19,323,671	20,328,221	1,112,765	19,487,708	20,600,473
Pennsylvania	127,597	1,161,667	1,289,264	143,876	1,105,598	1,249,474
Rhode Island	26,212	14,910	41,122	4,365	13,744	18,109
South Carolina	215,988	1,784,462	2,000,450	153,610	1,704,848	1,858,458
South Dakota	242,799	2,203,405	2,446,204	144,257	2,207,320	2,351,577
Tennessee	141,924	978,269	1,120,193	79,052	732,908	811,960
Texas	297,084	1,029,609	1,326,693	65,877	990,609	1,056,486
Utah	200,531	2,312,525	2,513,056	143,735	2,161,114	2,304,849
Vermont	30,389	45,395	75,784	5,955	46,285	52,240
Virginia	154,520	661,260	815,780	63,376	662,871	726,247
Washington	274,617	5,055,657	5,330,274	289,020	5,081,525	5,370,545
West Virginia	71,321	217,273	288,594	44,747	200,622	245,369
Wisconsin	493,494	3,855,346	4,348,840	378,413	3,748,694	4,127,107
Wyoming	172,054	1,725,810	1,897,864	130,384	1,721,860	1,852,244
Puerto Rico	45,428	43,562	88,990	9,355	45,037	54,392
TOTAL	14,666,267	180,411,281	195,077,548	12,762,499	176,672,996	189,435,495

Conservation Stewardship Program (CStP) Allocations
FY 2011 Actual (as of September 30, 2011) and
FY 2012 Estimate
Source: Foundation Financial Information System (FFIS)

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Alabama	$929,171	$5,960,007	$6,889,178	$529,191	$5,178,355	$5,707,546
Alaska	209,768	1,421,297	1,631,065	109,328	1,395,706	1,505,034
Arizona	455,462	5,984,431	6,439,893	487,929	5,877,849	6,365,778
Arkansas	1,521,241	21,952,079	23,473,320	1,167,224	22,292,551	23,459,775
California	944,237	7,101,329	8,045,566	678,784	7,066,245	7,745,029
Colorado	2,115,464	21,567,297	23,682,761	1,450,480	19,582,738	21,033,218
Connecticut	60,349	104,899	165,248	13,230	101,467	114,697
Delaware	91,247	533,553	624,800	29,071	529,738	558,809
Florida	333,426	2,125,191	2,458,617	157,410	1,894,701	2,052,111
Georgia	990,229	20,882,620	21,872,849	849,188	20,435,161	21,284,349
Pacific Islands Area	92,783	132,810	225,593	17,372	124,422	141,794
Idaho	506,381	5,328,954	5,835,335	346,742	5,290,525	5,637,267
Illinois	1,226,050	12,486,117	13,712,167	829,809	13,349,981	14,179,790
Indiana	611,681	5,977,675	6,589,356	358,603	6,285,320	6,643,923
Iowa	2,922,329	31,928,659	34,850,988	1,666,838	30,928,177	32,595,015
Kansas	2,238,455	30,644,550	32,883,005	1,651,380	30,369,495	32,020,875
Kentucky	541,626	2,051,533	2,593,159	207,930	1,773,733	1,981,663
Louisiana	880,234	13,801,327	14,681,561	621,354	13,454,380	14,075,734
Maine	174,391	746,463	920,854	99,042	604,860	703,902
Maryland	240,893	1,024,616	1,265,509	61,212	1,020,770	1,081,982
Massachusetts	71,029	76,409	147,438	11,316	72,010	83,326
Michigan	822,922	6,371,584	7,194,506	520,636	6,419,573	6,940,209
Minnesota	3,747,236	38,359,689	42,106,925	1,934,271	38,105,291	40,039,562

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Mississippi	720,444	14,655,463	15,375,907	536,375	14,453,450	14,989,825
Missouri	3,349,695	23,521,832	26,871,527	2,043,019	23,328,079	25,371,098
Montana	2,745,202	25,367,800	28,113,002	1,581,130	24,251,895	25,833,025
Nebraska	3,800,544	33,553,391	37,353,935	2,332,045	33,085,006	35,417,051
Nevada	84,026	644,371	728,397	54,134	504,692	558,826
New Hampshire	54,225	47,134	101,359	12,398	46,248	58,646
New Jersey	58,601	117,145	175,746	11,491	113,984	125,475
New Mexico	2,223,890	10,712,752	12,936,642	1,187,570	10,628,205	11,815,775
New York	439,027	3,934,284	4,373,311	303,129	3,816,282	4,119,411
North Carolina	323,959	2,044,108	2,368,067	216,636	1,902,004	2,118,640
North Dakota	2,088,504	32,094,249	34,182,753	1,374,148	31,991,858	33,366,006
Ohio	693,421	3,876,476	4,569,897	288,065	3,768,781	4,056,846
Oklahoma	2,730,352	28,047,968	30,778,320	1,589,085	27,079,455	28,668,540
Oregon	1,586,542	11,850,520	13,437,062	821,711	11,276,096	12,097,807
Pennsylvania	604,226	5,090,808	5,695,034	455,054	4,898,971	5,354,025
Rhode Island	71,526	50,387	121,913	14,635	49,303	63,938
South Carolina	702,511	4,261,314	4,963,825	516,548	4,281,588	4,798,136
South Dakota	2,903,902	28,860,189	31,764,091	1,537,311	26,686,408	28,223,719
Tennessee	607,546	2,968,392	3,575,938	351,437	2,798,954	3,150,391
Texas	2,489,438	19,898,890	22,388,328	1,828,968	19,000,938	20,829,906
Utah	454,240	2,393,057	2,847,297	285,344	2,147,246	2,432,590
Vermont	54,687	36,366	91,053	5,104	34,413	39,517
Virginia	445,975	4,628,170	5,074,145	319,889	4,442,154	4,762,043
Washington	880,376	11,463,960	12,344,336	518,455	11,417,082	11,935,537
West Virginia	779,028	1,535,404	2,314,432	314,547	1,441,211	1,755,758
Wisconsin	1,706,907	11,516,060	13,222,967	1,111,588	10,873,483	11,985,071
Wyoming	1,278,019	6,457,179	7,735,198	663,598	6,315,228	6,978,826
Puerto Rico	47,252	19,066	66,318	5,779	18,678	24,457
TOTAL	55,650,669	526,209,824	581,860,493	34,077,533	512,804,740	546,882,273

Environmental Quality Incentive Program (EQIP) Allocations
FY 2011 Actual (as of September 30, 2011) and
FY 2012 Estimate
Source: Foundation Financial Information System (FFIS)

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Alabama	$4,582,952	$15,519,455	$20,102,407	$5,043,932	$13,310,141	$18,354,073
Alaska	2,207,786	7,974,461	10,182,247	2,987,548	3,474,396	6,461,944
Arizona	5,965,435	16,877,395	22,842,830	7,137,552	17,131,481	24,269,033
Arkansas	7,922,427	26,895,367	34,817,794	6,001,383	34,472,538	40,473,921
California	15,721,177	74,407,856	90,129,033	16,525,828	93,896,654	110,422,482
Colorado	9,281,414	26,375,611	35,657,025	11,342,813	31,704,149	43,046,962
Connecticut	2,054,812	5,783,139	7,837,951	2,087,270	4,530,148	6,617,418
Delaware	1,838,716	4,836,704	6,675,420	1,626,140	5,195,648	6,821,788
Florida	6,476,840	17,837,374	24,314,214	4,692,706	22,466,092	27,158,798
Georgia	5,376,290	14,384,952	19,761,242	7,258,285	19,732,242	26,990,527
Pacific Islands Area	2,898,673	6,707,262	9,605,935	3,774,805	5,397,774	9,172,579
Idaho	4,076,904	14,053,282	18,130,186	5,198,770	16,625,234	21,824,004
Illinois	4,547,015	12,004,563	16,551,578	4,334,146	12,895,436	17,229,582
Indiana	4,986,087	19,175,786	24,161,873	4,649,594	15,497,071	20,146,665

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Iowa	8,570,252	25,076,733	33,646,985	6,852,281	25,184,082	32,036,363
Kansas	7,986,965	23,389,441	31,376,406	7,259,419	20,078,646	27,338,065
Kentucky	4,404,015	11,240,067	15,644,082	5,683,517	13,829,042	19,512,559
Louisiana	5,480,570	15,731,094	21,211,664	5,187,044	22,413,617	27,600,661
Maine	3,571,199	10,687,023	14,258,222	3,766,715	12,463,276	16,229,991
Maryland	3,042,879	6,401,732	9,444,611	2,640,676	6,869,937	9,510,613
Massachusetts	1,993,140	6,570,442	8,563,582	2,374,947	4,806,445	7,181,392
Michigan	5,975,517	15,878,133	21,853,650	3,588,489	16,456,496	20,044,985
Minnesota	9,480,640	24,128,400	33,609,040	8,123,875	24,894,060	33,017,935
Mississippi	6,944,216	26,876,689	33,820,905	5,748,475	23,013,876	28,762,351
Missouri	7,553,286	29,512,639	37,065,925	9,730,726	25,581,252	35,311,978
Montana	6,827,896	19,935,799	26,763,695	8,614,373	20,403,224	29,017,597
Nebraska	7,616,214	22,700,598	30,316,812	7,930,512	23,241,323	31,171,835
Nevada	2,361,920	8,018,510	10,380,430	3,093,704	6,734,102	9,827,806
New Hampshire	1,641,337	3,570,465	5,211,802	1,858,464	3,216,111	5,074,575
New Jersey	1,804,667	5,066,797	6,871,464	2,325,756	4,847,428	7,173,184
New Mexico	6,357,980	22,079,061	28,437,041	6,942,256	24,243,664	31,185,920
New York	4,293,295	13,165,947	17,459,242	4,317,062	9,576,300	13,893,362
North Carolina	3,926,118	17,543,566	21,469,684	5,448,009	18,202,542	23,650,551
North Dakota	5,399,085	17,945,442	23,344,527	4,297,624	19,227,174	23,524,798
Ohio	4,934,875	11,926,214	16,861,089	4,896,702	17,400,749	22,297,451
Oklahoma	7,771,592	22,498,919	30,270,511	9,245,656	24,098,179	33,343,835
Oregon	4,457,927	15,778,502	20,236,429	3,719,935	14,903,597	18,623,532
Pennsylvania	5,988,776	13,547,291	19,536,067	5,840,233	18,719,752	24,559,985
Rhode Island	1,120,831	3,236,896	4,357,727	1,407,915	2,570,873	3,978,788
South Carolina	2,837,482	8,698,653	11,536,135	3,521,375	8,474,621	11,995,996
South Dakota	5,206,534	16,133,345	21,339,879	5,437,537	17,243,531	22,681,068
Tennessee	3,698,684	11,392,154	15,090,838	5,492,397	15,355,936	20,848,333
Texas	21,087,580	85,322,032	106,409,612	27,459,804	68,507,913	95,967,717
Utah	6,262,013	16,322,511	22,584,524	8,619,704	19,192,713	27,812,417
Vermont	3,445,628	9,500,864	12,946,492	2,774,122	6,748,423	9,522,545
Virginia	3,607,648	11,833,178	15,440,826	5,153,470	11,082,556	16,236,026
Washington	4,584,758	13,229,797	17,814,555	4,942,769	12,169,238	17,112,007
West Virginia	3,064,355	7,124,684	10,189,039	4,718,128	7,197,883	11,916,011
Wisconsin	6,426,277	16,024,990	22,451,267	6,462,598	20,343,255	26,805,853
Wyoming	4,324,030	14,646,814	18,970,844	4,535,809	14,569,719	19,105,528
Puerto Rico	1,787,691	4,766,400	6,554,091	2,234,140	4,098,090	6,332,230
TOTAL	273,774,400	870,335,029	1,144,109,429	294,906,990	904,288,629	1,199,195,619

Farm and Ranchland Protection Program (FRPP) Allocations
FY 2011 Actual (as of September 30, 2011) and
FY 2012 Estimate
Source: Foundation Financial Information System (FFIS)

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Alabama	$33,158	$96,790	$129,948	$78,272	$856,166	$934,438
Alaska	5,622	-	5,622	40,439	475,648	516,087
Arizona	25,080	-	25,080	22,762	545,000	567,762
Arkansas	6,915	-	6,915	9,137	-	9,137
California	98,520	3,181,319	3,279,839	277,089	3,778,252	4,055,341

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Colorado	191,674	8,519,023	8,710,697	250,249	7,134,713	7,384,962
Connecticut	227,714	6,365,536	6,593,250	346,861	6,659,065	7,005,926
Delaware	150,462	4,918,598	5,069,060	130,286	4,762,275	4,892,561
Florida	98,834	5,104,927	5,203,761	175,969	4,756,475	4,932,444
Georgia	51,066	810,000	861,066	9,902	361,492	371,394
Pacific Islands Area	45,819	1,565,221	1,611,040	9,137	-	9,137
Idaho	37,247	1,200,588	1,237,835	61,285	1,241,684	1,302,969
Illinois	8,817	3,000	11,817	39,592	444,730	484,322
Indiana	9,369	-	9,369	-	-	-
Iowa	644	-	644	-	-	-
Kansas	13,697	411,921	425,618	52,870	1,930,178	1,983,048
Kentucky	71,394	2,142,659	2,214,053	126,004	1,020,000	1,146,004
Louisiana	18,647	804,516	823,163	-	-	-
Maine	88,520	2,078,880	2,167,400	71,741	951,295	1,023,036
Maryland	214,871	2,371,679	2,586,550	178,743	1,525,072	1,703,815
Massachusetts	181,118	5,500,000	5,681,118	412,172	5,707,770	6,119,942
Michigan	116,972	2,026,423	2,143,395	92,553	2,386,488	2,479,041
Minnesota	47,675	1,160,802	1,208,477	189,166	1,902,590	2,091,756
Mississippi	-	690	690	-	-	-
Missouri	39,087	142,000	181,087	-	1,380	1,380
Montana	147,670	6,370,042	6,517,712	123,675	3,847,988	3,971,663
Nebraska	25,073	1,497,040	1,522,113	45,699	1,097,000	1,142,699
Nevada	27,496	3,244	30,740	18,274	-	18,274
New Hampshire	173,840	2,369,690	2,543,530	96,098	1,856,987	1,953,085
New Jersey	261,576	8,110,782	8,372,358	408,112	8,561,655	8,969,767
New Mexico	22,406	791,850	814,256	26,057	951,295	977,352
New York	189,868	5,593,305	5,783,173	249,551	4,504,200	4,753,751
North Carolina	101,904	2,411,014	2,512,918	229,588	2,711,191	2,940,779
North Dakota	10,606	-	10,606	-	-	-
Ohio	313,179	11,822,424	12,135,603	507,672	9,881,431	10,389,103
Oklahoma	62,893	904	63,797	24,788	237,824	262,612
Oregon	8,422	-	8,422	-	-	-
Pennsylvania	336,378	4,028,817	4,365,195	173,348	4,139,633	4,312,981
Rhode Island	172,402	4,127,559	4,299,961	157,996	4,127,000	4,284,996
South Carolina	59,923	2,667,490	2,727,413	140,776	3,805,180	3,945,956
South Dakota	-	-	-	-	-	-
Tennessee	5,049	-	5,049	50,000	2,000,000	2,050,000
Texas	62,617	2,902,023	2,964,640	112,096	3,091,709	3,203,805
Utah	27,666	983,585	1,011,251	119,543	4,416,250	4,535,793
Vermont	211,379	3,000,000	3,211,379	309,756	3,339,592	3,649,348
Virginia	51,108	917,070	968,178	153,110	4,590,547	4,743,657
Washington	89,198	1,768,429	1,857,627	323,511	3,806,680	4,130,191
West Virginia	124,263	2,463,463	2,587,726	155,504	2,200,000	2,355,504
Wisconsin	69,227	754,295	823,522	127,881	665,907	793,788
Wyoming	1,231,292	52,200,901	53,432,193	412,915	15,606,700	16,019,615
TOTAL	5,568,357	163,188,499	168,756,856	6,540,179	131,879,042	138,419,221

Grasslands Reserve Program (GRP) Allocations
FY 2011 Actual (as of September 30, 2011) and
FY 2012 Estimate

Source: Foundation Financial Information System (FFIS)

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Alabama	$63,246	$13,860	$77,106	$29,766	$107,000	$136,766
Alaska	8,095	-	8,095	7,168	-	7,168
Arizona	60,823	30,000	90,823	19,236	23,250	42,486
Arkansas	68,410	-	68,410	39,262	-	39,262
California	152,658	1,488	154,146	113,618	-	113,618
Colorado	83,132	105,687	188,819	69,287	8,920	78,207
Connecticut	75,766	72,000	147,766	29,766	25,000	54,766
Delaware	9,801	5,000	14,801	13,838	-	13,838
Florida	250,108	306,441	556,549	89,531	24,090	113,621
Georgia	28,661	40,000	68,661	823	-	823
Pacific Islands Area	99,579	25,000	124,579	77,149	-	77,149
Idaho	756,620	3,880,000	4,636,620	236,706	338,100	574,806
Illinois	63,420	60,000	123,420	27,210	1,789	28,999
Indiana	43,482	23,170	66,652	53,442	8,000	61,442
Iowa	91,601	294,000	385,601	52,829	96,000	148,829
Kansas	97,536	154,500	252,036	304,963	62,000	366,963
Kentucky	64,773	107,180	171,953	72,773	70,000	142,773
Louisiana	24,604	47,826	72,430	4,746	55,000	59,746
Maine	15,693	-	15,693	-	-	-
Maryland	17,763	-	17,763	-	-	-
Massachusetts	14,930	5,100	20,030	2,720	-	2,720
Michigan	66,959	24,204	91,163	14,552	1,500	16,052
Minnesota	84,081	-	84,081	20,573	26,600	47,173
Mississippi	87,079	28,835	115,914	58,935	-	58,935
Missouri	168,022	120,750	288,772	104,065	-	104,065
Montana	142,891	9,516	152,407	125,465	10,604	136,069
Nebraska	93,057	7,490	100,547	63,474	-	63,474
Nevada	51,282	-	51,282	76,225	35,000	111,225
New Hampshire	9,027	62,500	71,527	19,566	-	19,566
New Jersey	16,577	-	16,577	5,230	-	5,230
New Mexico	106,217	50,000	156,217	48,314	40,000	88,314
New York	87,697	94,423	182,120	24,886	1,150	26,036
North Carolina	12,450	1,700	14,150	21,504	-	21,504
North Dakota	123,954	-	123,954	67,935	-	67,935
Ohio	51,195	110,815	162,010	26,631	12,000	38,631
Oklahoma	225,631	23,000	248,631	84,252	500	84,752
Oregon	62,425	-	62,425	16,133	-	16,133
Pennsylvania	65,975	31,440	97,415	59,531	13,800	73,331
Rhode Island	1,571	21,000	22,571	19,685	-	19,685
South Carolina	22,608	34,000	56,608	31,260	40,000	71,260
South Dakota	279,695	354,700	634,395	187,305	23,913	211,218
Tennessee	74,942	69,000	143,942	35,365	600	35,965
Texas	371,295	1,095,000	1,466,295	797,976	92,000	889,976
Utah	224,502	26,000	250,502	121,879	9,000	130,879
Vermont	14,291	14,200	28,491	10,287	100,000	110,287
Virginia	64,687	132,802	197,489	33,218	6,616	39,834
Washington	45,422	13,685	59,107	24,124	-	24,124

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
West Virginia	38,521	42,241	80,762	42,077	400	42,477
Wisconsin	59,362	47,824	107,186	146,804	91,081	237,885
Wyoming	904,426	402,500	1,306,926	341,445	110,000	451,445
Puerto Rico	6,634	-	6,634	-	-	-
TOTAL	5,653,176	7,988,877	13,642,053	3,873,529	1,433,913	5,307,442

Healthy Forests Reserve Program (HFRP-89/HFRP-99) Allocations
FY 2011 Actual (as of September 30, 2011) and
FY 2012 Estimate
Source: Foundation Financial Information System (FFIS)

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Arkansas	$10,000	$55,000	$65,000	-	-	-
California	108,270	599,004	707,274	$62,158	$352,227	$414,385
Georgia	339,772	2,240,520	2,580,292	8,215	46,553	54,768
Indiana	100,231	1,539,518	1,639,749	93,237	528,340	621,577
Kentucky	285,000	1,247,600	1,532,600	103,596	587,045	690,641
Maine	14,451	-	14,451	-	-	-
Michigan	106,733	508,355	615,088	51,798	293,522	345,320
Minnesota	-	-	-	-	-	-
Mississippi	15,847	77,004	92,851	93,237	528,340	621,577
Ohio	100,243	509,400	609,643	51,798	293,522	345,320
Oklahoma	230,494	3,523,651	3,754,145	124,315	709,254	833,569
Oregon	262,958	5,699,509	5,962,467	497,262	2,817,816	3,315,078
Pennsylvania	150,518	934,050	1,084,568	207,192	1,174,090	1,381,282
South Carolina	285,000	1,003,000	1,288,000	12,974	50,000	62,974
Washington	-	-	-	51,798	293,522	345,320
TOTAL	2,009,517	17,936,611	19,946,128	1,357,580	7,674,231	9,031,811

Wildlife Habitat Incentives Program (WHIP) Allocations
FY 2011 Actual (as of September 30, 2011) and
FY 2012 Estimate
Source: Foundation Financial Information System (FFIS)

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Alabama	$872,402	$3,669,061	$4,541,463	$170,826	$14,000	$184,826
Alaska	556,181	3,109,497	3,665,678	302,661	-	302,661
Arizona	324,236	664,493	988,729	161,985	200,000	361,985
Arkansas	415,660	730,872	1,146,532	250,586	175,000	425,586
California	777,729	3,640,583	4,418,312	293,552	100,000	393,552
Colorado	269,545	467,302	736,847	128,059	-	128,059
Connecticut	320,654	1,111,038	1,431,692	241,552	-	241,552
Delaware	80,778	64,662	145,440	51,378	-	51,378
Florida	408,381	669,335	1,077,716	143,073	3,834	146,907
Georgia	1,085,472	6,435,617	7,521,089	151,813	-	151,813
Pacific Islands Area	132,253	16,952	149,205	182,064	-	182,064
Idaho	169,168	569,316	738,484	127,513	72,000	199,513
Illinois	126,304	276,826	403,130	88,472	66,000	154,472
Indiana	309,424	513,807	823,231	186,763	152,500	339,263

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Iowa	264,659	274,686	539,345	133,746	184,000	317,746
Kansas	471,872	1,554,279	2,026,151	149,732	-	149,732
Kentucky	272,715	765,184	1,037,899	123,264	-	123,264
Louisiana	698,950	1,933,496	2,632,446	180,598	75,000	255,598
Maine	564,387	2,476,537	3,040,924	187,004	-	187,004
Maryland	126,193	197,581	323,774	70,103	-	70,103
Massachusetts	333,708	1,261,622	1,595,330	228,237	-	228,237
Michigan	344,015	401,626	745,641	168,588	156,000	324,588
Minnesota	257,274	371,431	628,705	170,294	32,435	202,729
Mississippi	441,980	1,594,597	2,036,577	204,877	200,000	404,877
Missouri	364,486	360,976	725,462	260,854	140,000	400,854
Montana	181,357	258,618	439,975	116,548	-	116,548
Nebraska	272,999	406,083	679,082	138,590	-	138,590
Nevada	154,743	630,590	785,333	80,393	-	80,393
New Hampshire	380,787	905,773	1,286,560	308,075	4,500	312,575
New Jersey	199,398	301,127	500,525	143,595	-	143,595
New Mexico	228,557	796,808	1,025,365	118,147	-	118,147
New York	201,362	953,048	1,154,410	136,502	-	136,502
North Carolina	296,483	1,333,347	1,629,830	109,078	-	109,078
North Dakota	330,945	854,164	1,185,109	97,784	-	97,784
Ohio	214,340	188,043	402,383	71,998	-	71,998
Oklahoma	236,841	195,468	432,309	222,534	-	222,534
Oregon	304,524	1,013,421	1,317,945	200,636	-	200,636
Pennsylvania	155,895	778,557	934,452	77,943	-	77,943
Rhode Island	214,464	400,973	615,437	237,799	-	237,799
South Carolina	633,294	2,735,689	3,368,983	217,601	-	217,601
South Dakota	240,178	812,787	1,052,965	100,547	25,000	125,547
Tennessee	409,388	1,320,735	1,730,123	105,110	-	105,110
Texas	2,007,127	9,874,509	11,881,636	420,342	206,100	626,442
Utah	150,080	416,716	566,796	87,148	-	87,148
Vermont	471,306	1,056,023	1,527,329	220,140	-	220,140
Virginia	271,584	735,450	1,007,034	124,340	170,000	294,340
Washington	172,153	374,153	546,306	172,947	-	172,947
West Virginia	342,345	936,886	1,279,231	193,583	20,000	213,583
Wisconsin	224,077	283,019	507,096	131,634	25,000	156,634
Wyoming	245,448	601,426	846,874	101,704	-	101,704
Puerto Rico	27,537	107,496	135,033	-	-	-
TOTAL	18,555,638	61,402,285	79,957,923	8,292,312	2,021,369	10,313,681

Wetland Reserve Program (WRP) Allocations
FY 2011 Actual (as of September 30, 2011) and
FY 2012 Estimate
Source: Foundation Financial Information System (FFIS)

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Alabama	$728,591	$9,990,197	$10,718,788	$1,274,928	$12,909,245	$14,184,173
Alaska	57,425	-	57,425	5,078	5,388	10,466
Arizona	77,567	4,500	82,067	23,719	241,520	265,239
Arkansas	1,622,563	11,085,161	12,707,724	4,239,743	23,311,008	27,550,751
California	2,037,244	34,784,244	36,821,488	1,907,597	30,529,127	32,436,724
Colorado	263,875	1,498,894	1,762,769	284,646	2,014,367	2,299,013

State	Technical Assistance (2011)	Financial Assistance (2011)	Total (2011)	Technical Assistance (2012)	Financial Assistance (2012)	Total (2012)
Connecticut	64,428	95,550	159,978	26,581	182,531	209,112
Delaware	118,549	302,818	421,367	72,002	438,022	510,024
Florida	3,398,442	99,000,000	102,398,442	5,045,837	59,953,153	64,998,990
Georgia	533,396	9,598,050	10,131,446	817,041	4,911,969	5,729,010
Pacific Islands Area	96,529	42,421	138,950	70,742	896,722	967,464
Idaho	211,831	2,495,199	2,707,030	224,304	2,787,489	3,011,793
Illinois	690,032	6,955,148	7,645,180	1,020,615	7,360,988	8,381,603
Indiana	1,341,802	14,463,735	15,805,537	1,493,174	13,806,730	15,299,904
Iowa	1,774,882	35,612,223	37,387,105	2,191,567	23,875,525	26,067,092
Kansas	413,894	4,750,286	5,164,180	675,314	6,171,276	6,846,590
Kentucky	497,936	8,161,747	8,659,683	432,969	7,413,779	7,846,748
Louisiana	3,096,556	41,268,052	44,364,608	4,627,241	32,206,100	36,833,341
Maine	86,164	577,485	663,649	59,213	589,286	648,499
Maryland	312,903	6,946,000	7,258,903	766,871	6,231,528	6,998,399
Massachusetts	170,060	3,696,373	3,866,433	182,004	5,382,013	5,564,017
Michigan	696,202	3,171,314	3,867,516	632,989	3,552,734	4,185,723
Minnesota	2,295,335	28,711,115	31,006,450	3,134,598	45,407,673	48,542,271
Mississippi	3,543,088	20,170,469	23,713,557	3,342,764	25,501,135	28,843,899
Missouri	1,825,581	18,806,420	20,632,001	1,883,485	13,942,545	15,826,030
Montana	273,849	1,822,793	2,096,642	404,338	3,454,978	3,859,316
Nebraska	1,584,251	12,803,196	14,387,447	995,768	9,077,021	10,072,789
Nevada	211,413	3,321,215	3,532,628	103,607	3,628,594	3,732,201
New Hampshire	244,612	2,975,698	3,220,310	418,911	4,975,193	5,394,104
New Jersey	135,282	1,072,688	1,207,970	166,563	1,995,393	2,161,956
New Mexico	135,272	1,461,350	1,596,622	77,500	738,591	816,091
New York	970,403	3,761,950	4,732,353	1,862,165	11,041,548	12,903,713
North Carolina	694,321	7,380,533	8,074,854	1,476,280	9,001,829	10,478,109
North Dakota	1,528,629	32,672,576	34,201,205	4,026,450	31,679,575	35,706,025
Ohio	731,915	6,699,163	7,431,078	545,428	5,577,467	6,122,895
Oklahoma	834,532	8,203,428	9,037,960	1,197,118	7,024,624	8,221,742
Oregon	1,020,550	3,883,215	4,903,765	1,596,288	7,700,270	9,296,558
Pennsylvania	289,558	8,601,597	8,891,155	452,983	7,731,991	8,184,974
Rhode Island	77,621	250,312	327,933	28,694	589,559	618,253
South Carolina	625,670	7,375,915	8,001,585	738,127	4,778,349	5,516,476
South Dakota	1,158,758	19,742,879	20,901,637	1,504,369	13,805,788	15,310,157
Tennessee	872,012	18,105,191	18,977,203	1,388,636	8,764,740	10,153,376
Texas	1,031,175	16,294,243	17,325,418	3,294,826	17,834,279	21,129,105
Utah	162,465	1,456,574	1,619,039	126,029	1,407,183	1,533,212
Vermont	100,873	518,088	618,961	212,815	1,254,858	1,467,673
Virginia	138,768	1,078,357	1,217,125	71,860	1,139,022	1,210,882
Washington	462,138	903,870	1,366,008	414,124	3,645,747	4,059,871
West Virginia	241,612	538,544	780,156	30,460	564,171	594,631
Wisconsin	733,516	8,319,673	9,053,189	759,537	8,187,201	8,946,738
Wyoming	197,377	1,575,578	1,772,955	495,102	2,681,145	3,176,247
Puerto Rico	-	-	-	26,265	140,000	166,265
TOTAL	40,411,447	533,006,027	573,417,474	56,849,265	498,040,969	554,890,234

Mr. Kingston: Please provide a chart showing the final allocation for fiscal year 2011 and the estimated allocation for fiscal year 2012 for conservation technical assistance and financial assistance by State.

Response: The information is submitted for the record.

[The information follows:]

NRCS State Allocations
FY 2011 Actual (as of September 30, 2011) and FY 2012 Estimate

	Actual (as of 9/30/11)			Estimate		
State	TA 2011	FA 2011	Total 2011	TA 2012	FA 2012	Total 2012
Alabama	$ 22,504,139	$ 37,296,144	$ 59,800,284	$ 19,980,042	$ 42,518,559	$ 62,498,601
Alaska	12,159,271	16,772,606	28,931,877	8,982,837	12,412,340	21,395,177
Arizona	18,878,753	29,955,110	48,833,863	17,205,155	28,527,533	45,732,688
Arkansas	27,101,120	69,288,631	96,389,751	24,339,897	91,327,495	115,667,392
California	48,315,182	150,302,000	198,617,182	40,736,916	153,308,838	194,045,754
Colorado	35,068,721	64,141,587	99,210,308	30,505,507	63,800,335	94,305,842
Connecticut	7,602,373	14,134,849	21,737,222	6,011,636	12,523,154	18,534,790
Delaware	6,022,205	14,800,704	20,822,909	4,024,366	13,021,524	17,045,890
Florida	23,595,146	129,898,676	153,493,822	20,135,915	95,265,845	115,401,760
Georgia	26,378,691	58,999,217	85,377,908	23,168,566	49,465,085	72,633,651
Idaho	21,184,940	42,949,344	64,134,284	17,994,743	41,984,946	59,979,689
Illinois	35,435,783	38,951,135	74,386,918	30,473,452	40,919,408	71,392,860
Indiana	28,490,059	49,784,127	78,274,186	24,503,886	44,693,542	69,197,428
Iowa	47,481,321	113,993,778	161,475,099	40,719,233	97,902,997	138,622,230
Kansas	41,221,057	73,768,351	114,989,408	34,528,673	69,433,968	103,962,641
Kentucky	25,308,795	35,420,787	60,729,582	22,147,367	30,774,498	52,921,865
Louisiana	22,703,178	74,259,948	96,963,126	19,890,463	68,386,224	88,276,687
Maine	10,885,783	19,504,579	30,390,362	8,993,636	15,585,058	24,578,694
Maryland	13,928,156	32,085,154	46,013,310	10,931,620	25,268,463	36,200,083
Massachusetts	9,249,810	20,670,760	29,920,570	7,765,795	20,826,983	28,592,778
Michigan	23,583,652	36,558,049	60,141,701	18,040,549	36,743,404	54,783,953
Minnesota	42,453,672	99,323,818	141,777,490	34,627,072	117,766,423	152,393,495
Mississippi	32,777,161	68,747,890	101,525,051	25,281,987	70,501,265	95,783,252
Missouri	48,471,488	105,121,708	153,593,196	42,681,533	122,546,098	165,227,631
Montana	33,893,597	67,643,309	101,536,906	30,107,848	63,317,099	93,424,947
Nebraska	39,644,971	84,589,400	124,234,371	32,809,824	76,642,806	109,452,630
Nevada	8,203,025	12,902,973	21,105,998	7,572,396	11,944,224	19,516,620
New Hampshire	6,475,922	10,240,163	16,716,085	5,505,564	12,018,431	17,523,995
New Jersey	8,428,011	15,421,437	23,849,448	7,657,799	17,523,089	25,180,888
New Mexico	20,939,718	37,370,536	58,310,254	17,816,834	37,628,641	55,445,475
New York	20,854,552	33,968,244	54,822,796	20,461,891	65,779,116	86,241,007
North Carolina	19,947,776	32,002,593	51,950,369	17,965,699	32,997,120	50,962,819
North Dakota	32,594,731	97,585,460	130,180,191	28,149,704	99,400,312	127,550,016
Ohio	24,999,316	47,736,336	72,735,652	22,041,333	51,610,005	73,651,338
Oklahoma	36,313,981	69,580,970	105,894,951	30,317,520	67,993,074	98,310,594
Oregon	24,276,216	59,981,248	84,257,464	19,950,541	58,222,042	78,172,583
Pacific Islands Area	12,752,749	9,991,783	22,744,532	11,671,116	6,990,430	18,661,546
Pennsylvania	25,868,037	54,624,408	80,492,445	22,170,239	64,573,677	86,743,916
Puerto Rico	6,709,368	5,136,524	11,845,892	5,990,078	5,801,805	11,791,883
Rhode Island	5,257,866	9,417,495	14,675,361	4,170,385	12,966,546	17,136,931
South Carolina	15,302,028	28,760,523	44,062,551	13,562,298	23,134,586	36,696,884
South Dakota	28,232,694	68,522,108	96,754,802	24,661,299	60,389,715	85,051,014
Tennessee	24,450,802	48,678,851	73,129,653	22,097,365	36,742,462	58,839,827
Texas	86,299,153	146,369,901	232,669,054	80,011,593	121,313,274	201,324,867
Utah	21,492,959	28,932,496	50,425,455	23,699,742	79,641,529	103,341,271
Vermont	9,099,342	14,809,192	23,908,534	7,981,538	18,911,214	26,892,752
Virginia	20,154,131	37,058,045	57,212,176	17,605,847	36,439,575	54,045,422
Washington	21,539,322	33,441,466	54,980,788	19,173,289	37,371,653	56,544,942
West Virginia	17,173,835	33,716,172	50,890,007	15,408,207	30,058,988	45,467,195
Wisconsin	28,317,020	40,921,207	69,238,227	23,856,036	43,934,621	67,790,657
Wyoming	19,937,083	79,568,032	99,505,115	14,906,145	42,145,353	57,051,498
Total	1,249,958,661	2,605,699,824	3,855,658,486	1,080,992,976	2,580,995,372	3,661,988,348

ENVIRONMENTAL QUALITY INCENTIVES PROGRAM SUBPROGRAM ALLOCATIONS

Mr. Kingston: Please provide a chart showing the subprograms within the Environmental Quality Incentives Program and the technical assistance and financial assistance allocated to each. Please provide the final allocations for fiscal year 2011 and estimated allocation for fiscal year 2012.

Response: The table below shows the final Environmental Quality Incentives Program (EQIP) financial and technical assistance funds allocated for fiscal year 2011, and funds allocated as of March 6, 2012.

[The information follows:]

EQIP Allocated Financial and Technical Assistance				
	Final FY 2011 Allocations /1		FY 2012 Allocations Estimate /2	
Sub-Program	FA	TA	FA	TA
EQIP General	$751,876,278	$324,816,815	$869,594,577	$360,698,334
EQIP Air Quality	34,319,423	3,706,498	35,295,000	2,205,000
Conservation Innovation Grants (CIG)	29,648,328	-	30,000,000	-
Cooperative Conservation Partnership Initiative (CCPI)	61,887,706	6,931,423	62,572,376	17,706,291
EQIP Organic	22,537,265	2,276,264	20,613,047	1,315,375
Totals	900,269,000	337,731,000	1,018,075,000	381,925,000

Notes:
1/ TA is estimated based on FY 11 TA to FA ratio.
2/ OMB Apportionment October 17, 2011

APPORTIONMENT SCHEDULE FOR MANDATORY FARM BILL CONSERVATION PROGRAMS

Mr. Kingston: Please provide the apportionment schedule for mandatory farm bill conservation programs for fiscal year 2013.

Response: The information is submitted for the record for the most recently approved apportionments for fiscal year 2012. The response includes two apportionment schedules: one for the no-year account and one for the annual account. The apportionment for the annual account, dated February 3, 2012, is a re-apportionment based on the Consolidated and Further Continuing Appropriations Act of 2012, updating the initial apportionment dated October 5, 2011. The apportionments for fiscal year 2013 will not be available until October 2012.

[The information follows:]

SF 132 APPORTIONMENT AND REAPPORTIONMENT SCHEDULE

FY 2012 Apportionment
Funds provided by Public Law 110-246 and 112-55

12-AP-NRCS-3

Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
		Department of Agriculture							
		Bureau: Natural Resources Conservation Service							
		Account: Farm Security and Rural Investment Programs (005-53-1004)							
		TAFS: 12-1004 /2012							
IterNo	2	Last Approved Apportionment: 2011-10-06							
RptCat	NO	Reporting Categories							
AdjAut	YES	Adjustment Authority provided							
		Budgetary resources							
1251		BA: Mand: Appropriations:Antic nonexpend trans net	4,472,843,000		3,401,939,000		3,401,939,000		
1840		BA: Mand: Spending auth:Antic colls, reimbs, other	124,000,000		80,000,000		80,000,000		
1920		**Total budgetary resources avail (disc. and mand.)**	**4,596,843,000**	B1	**3,481,939,000**	B1	**3,481,939,000**	B1	
		Application of Budgetary Resources							
		Category B Projects							
6011		Fourth Quarter	1,249,403,000						
6012		FY 2012 Wetland Reserve Program (Financial Assistance)	632,889,000		632,889,000		632,889,000		
6013		FY 2012 Farmland Protection Program (Financial Assistance)	142,909,000		142,909,000		142,909,000		
6014		FY 2012 Environmental Quality Incentives Program (Financial Assistanc	1,018,075,000		1,018,075,000		1,018,075,000		
6015		FY 2012 Wildlife Habitat Incentives Program (Financial Assistance)	36,122,000		36,122,000		36,122,000		
6016		FY 2012 Conservation Security Program (Financial Assistance)	176,673,000		176,673,000		176,673,000		
6017		FY 2012 Grasslands Reserve Program (Financial Assistance)	60,055,000		60,055,000		60,055,000		
6018		FY 2012 Agricultural Water Enhancement Program (Financial Assistanc	48,024,000		48,024,000		48,024,000		
6019		FY 2012 Agricultural Mgmt. Assistance (Financial Assistance)	1,983,000		1,983,000		1,983,000		
6020		FY 2012 Conservation Stewardship Program (Financial Assistance)	575,128,000		695,534,000		695,534,000		
6031		FY 2012 Farm Security and Rural Investment Programs (Technical Assis	655,582,000	A1	669,675,000	A1	669,675,000	A1	
6190		**Total budgetary resources available**	**4,596,843,000**		**3,481,939,000**		**3,481,939,000**		

Submitted: Diem-Linh Jones, Deputy Director, USDA/OBPA/BLRS   Date: December 9, 2011

FY 2012 Apportionment
OMB Footnotes

Footnotes for Apportioned Amounts

A1 Of the amount provided for technical assistance, not more than $74,228,000 is apportioned for the Wetlands Reserve Program, which shall result in the closure of at least an additional 106,800 acres of easements and the restoration of at least an additional 98,000 acres of easements from the program's existing backlog.

Footnotes for Budgetary Resources

B1 This apportionment includes estimated receipts and anticipated spending authority from offsetting collections. To the extent authorized by law, these amounts may be increased or decreased for actual reimbursements earned, including reimbursements and offsetting collections from non-Federal/Federal sources, and contributions from non-Federal/Federal sources without further action by OMB.

OMB approved this apportionment request using the web-based apportionment system

Janet Irwin

Marked Janet Irwin
Deputy Associate Director for Natural Resources

Signed 2012-02-03
13:35

File Nan 12-AP-NRCS-3.xls

TAFS(s| 12-1004 /2012

Sent By Darlene Fleming

Sent On 2012-02-03
13:55

SF 132 APPORTIONMENT AND REAPPORTIONMENT SCHEDULE

FY 2012 Apportionment
Funds provided by Public Law 110-246

12-AP-NRCS-2

Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
		Department of Agriculture							
		Bureau: Natural Resources Conservation Service							
		Account: Farm Security and Rural Investment Programs (005-53-1004)							
		TAFS: 12-1004 /X							
IterNo	2	Last Approved Apportionment: N/A, First Request of Year							
RptCat	NO	Reporting Categories							
AdjAut	YES	Adjustment Authority provided							
		Budgetary resources							
1251		BA: Mand: Appropriations:Antic nonexpend trans net			63,900,000		63,900,000		
1920		**Total budgetary resources avail (disc. and mand.)**	**0**		**63,900,000**	**B1**	**63,900,000**	**B1**	
		Application of Budgetary Resources							
		Category B Projects							
6011		FY 2012 Chesapeake Bay Watershed Program (Financial Assistance)			42,350,000		42,350,000		
6012		FY 2012 Healthy Forests Reserve Program (Financial Assistance)			10,712,000		10,712,000		
6016		FY 2012 Farm Security and Rural Investment Programs (No-year Technical Assista			10,838,000		10,838,000		
6190		**Total budgetary resources available**	**0**		**63,900,000**		**63,900,000**		

Submitted: Diem-Linh Jones, Deputy Director, USDA/OBPA/BLRS   Date: September 26, 2011

FY 2012 Apportionment
OMB Footnotes

Footnotes for Budgetary Resources

B1 The attached apportionment represents unobligated balances, carried over from FY 2011, estimated receipts and anticipated spending authority from offsetting collections. To the extent authorized by law, these amounts may be increased or decreased for indefinite appropriations, actual unobligated balances, actual recoveries of prior year obligations, actual reimbursements earned, including reimbursements and offsetting collections from non-Federal/Federal sources, contributions from non-Federal/Federal sources, and release of contingency funds without further action by OMB. Transfer of funds authorized by law to or from any of the accounts listed may be made without further action by OMB.

OMB approved this apportionment request using the web-based apportionment system

Janet Irwin

Marked Affixe Janet Irwin
Deputy Associate Director for Natural Resources

Signed On: 2011-10-17
18:11

File Name: 12-AP-NRCS-2 rev.xls

TAFS(s) Includ 12-1004 /X

Sent By: Darlene Fleming

Sent On: 2011-10-17
20:03

EQIP LIVESTOCK FUNDING

Mr. Kingston: How much funding was allocated to livestock concerns through the Environmental Quality Incentives Program for fiscal years 2011 (actual) and 2012 (estimated)?

Response: For each of the fiscal years 2011 and 2012, NRCS has managed EQIP funds to meet the statutory requirement that at least 60 percent of available program funds are made available for practice payments related to livestock production. The following table shows the allocated financial assistance funding during fiscal year 2011 and the estimated funding to be allocated during fiscal year 2012 based upon the current rate of obligation.

An estimated 63 percent of fiscal year 2012 EQIP funds will be allocated to livestock related concerns based on the current obligation of funds to livestock related contracts.

[The information follows:]

EQIP Livestock Related Contract Obligations

Fiscal Year	Financial Assistance Allocated for Livestock	Total Allocated EQIP Financial Assistance	Percent of Livestock
2011 1/	$539,483,812	$864,860,399	62.4%
2012 2/	$548,404,921	$870,484,001	63.0%

Notes:
1/ Actual obligation for FY 2011. The total allocated EQIP financial assistance excludes EQIP funds obligated to Conservation Innovation Grants (CIG), not subject to the livestock exclusion as they are not producer contracts.
2/ Estimated using the obligation rate as of March 7, 2012, excluding funds allocated to CIG.

COMPREHENSIVE NUTRIENT MANAGEMENT PLANS

Mr. Kingston: How many comprehensive nutrient management plans has NRCS completed since 2002? How many will be completed in fiscal year 2012 and are estimated to be completed in fiscal year 2013?

Response: NRCS has completed approximately 48,679 comprehensive nutrient management plans (CNMPs) since 2002. The target number of CNMPs to be completed in fiscal year 2012 is 2,800. The estimated number of CNMPs to be completed in fiscal year 2013 is 2,750.

EQIP CONSERVATION PRACTICES

Mr. Kingston: How many new conservation practices were installed or implemented through the Environmental Quality Incentives Program in fiscal years 2008 through 2011?

Response: For fiscal years 2008 through 2011, there have been 591,119 conservation practices installed through the Environmental Quality Incentives Program.

CONSERVATION INNOVATION GRANTS (CIG)

Mr. Kingston: Please provide a list of the Conservation Innovation Grants awarded in fiscal year 2011. Please include information on the recipient, State where the recipient is located, amount of the award, purpose, and whether any nonfederal funding was provided.

Response: In fiscal year 2011, NRCS awarded 61 CIG for $29.6 million. Grant recipients provided matching non-Federal funding in the amount of $35 million.

[The information follows:]

FISCAL YEAR 2011 CIG REPORT

Recipient	Federal Funding Approved	Non-Federal Funding	Location of Recipient	Purpose
Applied Ecological Services, Inc	$550,000	$550,000	WA, OR, ID	To develop a large-scale agricultural carbon project on Shepherd's Grain and surrounding land in partnership with landowners in the Palouse region, and to provide a roadmap for developing large-scale, high quality, and low cost carbon transactions.
Dairy Science Institute, Inc	1,101,600	1,179,821	CA, FL, ID, NY, MI, MN, PA, WI, NM, TX, OR, WA	To develop a decision support tool that will be available in an open-sourced format and readily available for use by NRCS and other organizations to assist dairy farmers in optimizing their conservation efforts, measuring the environmental benefits of their decisions, linking any greenhouse gas (GHG) reduction opportunities to environmental markets and cost sharing opportunities, and communicating farmer's sustainability commitment to consumers and the public.
Environmental Defense Fund	1,089,343	1,090,963	AR, CA	To implement a first-of-its-kind greenhouse gas emission reduction demonstration initiative with rice producers in California and Arkansas; to analyze the demonstration's replication potential in other rice producing states including Louisiana, Mississippi, Missouri, and Texas, and to create a new incentive for US rice producers to reduce their GHG emissions by participating in voluntary and compliance carbon offset markets.

Recipient	Federal Funding Approved	Non-Federal Funding	Location of Recipient	Purpose
Unison Resource Company	1,055,996	1,568,368	IN, KS, NE, NM, TX, OH, WI, MI	To pilot test methodologies that qualify carbon offsets in the beef and dairy sector and that stimulate: (1) feed use efficiency, (2) streamlining of complex data management, (3) creation of systems that a diversity of producers can use to produce GHG reductions, (4) monetization of verifiable carbon credits; (5) creation of carbon market linkages between Canada and the United States and between domestic carbon market standards (e.g. American Carbon Registry and the Climate Action Reserve), (6) enhance economic viability of feed yards/dairy farms; and (7) design scalable approaches to large GHG reduction tonnage.
Confederated Tribes of the Colville Indian Reservation	1,226,042	1,226,042	WA	To create a business model that modifies and produces commercially viable protocols and methodologies to make carbon markets more accessible to tribal entities and implements carbon sequestering activities.
Chesapeake Bay Foundation	454,797	466,575	MD, VA	To develop and implement a greenhouse gas tool for estimating nitrous oxide (N_2O) reductions from nutrient management in the Chesapeake Bay watershed, and to reduce some of the technological and financial barriers to certifying carbon offset credits generated by nutrient management projects.
Delta Institute	400,000	400,000	IL, OK, MI	To support farmer implementation of nutrient management practices using greenhouse gas emission reduction credits and to draw lessons from the project for future greenhouse gas emissions market design and participation.

Recipient	Federal Funding Approved	Non-Federal Funding	Location of Recipient	Purpose
Ducks Unlimited, Inc.	161,180	200,366	ND, SD	To develop the necessary tools for grassland producers to receive compensation for the carbon storage benefit of retaining rangeland that would otherwise be converted to cropland through the sale of carbon offsets.
The Fertilizer Institute	1,428,694	1,432,555	IL, IA	To develop and promote a nutrient stewardship framework that encourages implementation of nutrient best management practices that uses the right source of nutrient at the right rate, the right time and in the right place, and to minimize nutrient losses and allow increased productivity and increase nutrient use efficiency while maintaining grower profitability.
Auburn University	128,964	129,078	AL	To develop cane restoration and management demonstration sites to communicate the environmental, cultural and wildlife habitat values of canebrakes.
South Dakota State University	859,671	861,175	SD	To demonstrate the impact of an innovative grazing management approach (mob grazing) compared with conventional rotational grazing on: 1) system resilience and adaptability; 2) range productivity and profitability; 3) species composition; 4) invasive species; and 5) water and soil quality. This study will expose producers to the benefits of mob grazing in relation to conventional rotational grazing systems.
University of Arkansas	205,343	205,856	AR	To improve the Mississippi River basin environment by providing an educational and technology assistance program to farmers and their advisors that encourages expanded adoption of spatial technology and use of zone management with site

Recipient	Federal Funding Approved	Non-Federal Funding	Location of Recipient	Purpose
				specific applications of Phosphorus and Potassium fertilizers and use of controlled release Nitrogen fertilizers.
University of Tennessee	508,326	512,398	TN	To demonstrate active burning and grazing of Native Warm Season Grasses (NWSG) at six sites strategically located in major beef and dairy production areas of the eastern US and improve the understanding of NWSG in the eastern US with respect to carrying capacity, stocking rates and dates, grazing management, animal performance, and use of livestock as a tool for wildlife improvement.
University of Tennessee	650,827	654,081	TN, LA, MO, AR, MS	To demonstrate to producers and other interested groups the integration of sensor based variable-rate Nitrogen (N) in fertilization into their current production systems; to demonstrate the impacts of variable-rate precision N management systems based on optical sensing of crop canopy compared with the current uniform-rate N application system in terms of fertilizer N use efficiency, post-harvest residual soil N subject to loss, and potential improvements to water quality, cotton yield, and grower profitability; and to show the benefits of incorporating yield maps and other field and soil information into an optical sensor-based variable-rate precision N management system.
Electric Power Research Institute, Inc	1,000,000	1,000,000	OH, IN, WV, IL, KY	To establish supply of credits, apply USDA Nutrient Trading Tool (NTT) and assess other calculation methods, execute pilot

Recipient	Federal Funding Approved	Non-Federal Funding	Location of Recipient	Purpose
				trades and test an interstate trading framework, and calculate GHG impact (GHG credits) of pilot trades and assess credit stacking.
Pennsylvania State University	1,000,000	2,000,000	PA	To build and operate a stackable material digester to produce biogas from manure produced by the animal operations at The Pennsylvania State University College of Agricultural Sciences, use the biogas produced to fuel a combined heat and power unit to feed electricity into the electric grid and to heat buildings in close proximity to the CHP, add other digestible waste streams to the feedstock as appropriate, supplement digester feedstocks with biomass field crops as appropriate to increase gas production and return on investment, and provide educational opportunities for agricultural producers, suppliers, educators, and other clientele to view and discuss this type of anaerobic digester.
The Pennsylvania State University	363,424	363,424	PA	To provide new farm owners, and managers of small, high density livestock/horse operations with the knowledge, skills and equipment necessary to implement pasture, nutrient and sediment management systems for their operations and use conservation principals as a marketing tool.
The Freshwater Trust	966,722	1,348,586	OR	To demonstrate, through real on-the-ground projects and transactions of verified and registered credits, a functioning market system that uses proven tools and methodologies to leverage private funding to expand third-party certified conservation work that meets or exceeds NRCS standards.

Recipient	Federal Funding Approved	Non-Federal Funding	Location of Recipient	Purpose
Ecotrust	222,119	222,648	OR	To develop an integrated tool platform that allows forest landowners to visualize, plan, and market their products and services and manage for multiple objectives, and promote technology transfer of the completed tool to EQIP-eligible producers, including Pacific Northwest tribes, through online deployment of the tool, and targeted outreach to government agencies and producers.
Northwest Natural Resource Group	185,000	185,000	WA, OR	To develop a standardized system and protocols for monitoring environmental services performance and certification conformance across groups of aggregated small-forest landowners.
North Plains Groundwater Conservation District	499,848	543,146	TX	To demonstrate strategic irrigation and crop system management technologies and practices which will result not only in water savings across the region but also best practices that are applicable nationwide to regions facing similar resource concerns.
Ecosystem Management Research Institute	200,000	200,000	UT, CA	To produce a web-accessible planning tool that will complement on-going sage grouse and sagebrush conservation efforts by providing descriptions of site specific plant communities adjusted for predicted climate change, as reference conditions for restoration or habitat improvement objectives.
National Fish and Wildlife Foundation	684,415	717,797	AL, GA, MS, FL	To address two fundamental needs: 1) expanding and networking longleaf pine ecosystem assistance providers with a focus on private lands; and 2) establishing a framework for a monitoring and evaluation protocol that can be used

Recipient	Federal Funding Approved	Non-Federal Funding	Location of Recipient	Purpose
				to track conservation outcomes and enhance decision-making of managers and investors in restoration and protection initiatives.
University of Wisconsin-Platteville	625,281	625,316	WI	To promote edge-of-field surface-water monitoring, and field-test a prototype gauge which is designed to reduce cost and technical barriers associated with this type of monitoring.
University of Idaho	31,249	31,249	ID	To address Nutrient Management: demonstrate active methods which improve on the capture of nitrogen in manure management systems and provide the opportunity to recycle the manure nitrogen in lieu of synthetic fertilizers; and Air Quality: identification, evaluation, demonstration, and quantification of air quality improvement techniques, practices, and activities compatible with agriculture production and the management and handling of agriculture waste and by-products.
University of Idaho	328,328	328,328	ID	To implement the use of new novel technologies for removal of odors, dust, hair, feathers, and particulate from fan exhaust from confined animal operations, and document the results.
Iowa Soybean Association	358,864	362,792	IA, IN, IL	To determine management guidelines for denitrifying bioreactors to maximize their ability to reduce nitrogen discharge and minimize their production of environmentally undesirable by-products, quantify the export of undesirable by-products, including methyl mercury, dissolved organic carbon, and nitrous oxide, from the bioreactors under a variety of operating conditions, and

Recipient	Federal Funding Approved	Non-Federal Funding	Location of Recipient	Purpose
				develop interim EQIP standards in Minnesota and Illinois and solidify the existing interim standard (Interim Conservation Practice Standard, Denitrifying Bioreactor, Code 747) in Iowa.
University of Georgia	122,712	122,712	GA	To demonstrate the use of solar power in on-farm applications where electricity is not available or where the use of electricity can help in promoting the sustainability and increased production and demonstrate how energy derived from the sun can and does offset the use of fossil fuels either in the form of liquid fuel or electricity.
Fiscalini Farms, LP	150,000	150,000	CA	To apply a proven, enclosed aerobic manure drying (EAMD) technology to a new industry and determine the technical, environmental and economic value of the EAMD dairy industry, and identify the various technologies available to generate criteria a dairyman can use to select the appropriate technology.

Recipient	Federal Funding Approved	Non-Federal Funding	Location of Recipient	Purpose
Rodale Institute	468,519	468,680	PA, MD, NC	To use current fertilizer applicators to demonstrate new, innovative strategies to integrate fertilizer amendments into cover crop-based no-till corn production.
Sustainable Conservation	372,478	372,478	CA	To support market-based investments in conservation practices that improve water availability, water quality, habitat viability, and carbon sequestration.
AviHome, LLC	1,000,000	1,150,336	MD, DE, GA	To demonstrate to the USDA, Poultry Industry, and academic/scientific community the efficacy, positive environmental impact, and the viability of the AviHome Flooring System in a true commercial setting.
University of Kentucky Research Foundation	132,941	132,941	KY	To demonstrate management strategies (building design, stocking rate, moisture, temperature, bedding material type and tillage methods) for successful performance of Compost Bedded Pack best management practice, demonstrate potential of Best Management Practices (BMP) for reduced nutrient loading in impaired watershed through export of composted bedding as organic fertilizer, reduced flies and air emissions that improve neighbors' quality of life, and demonstrate improved housing and husbandry system that has potential to improve animal well-being and productivity through measurement of bulk tank milk production, bulk tank somatic cell count, clinical mastitis incidence, culling rate, animal hygiene, and lameness incidence before and after BMP implemented.

Recipient	Federal Funding Approved	Non-Federal Funding	Location of Recipient	Purpose
Maryland Association of Soil Conservation Districts, Inc	73,500	146,910	MD, DE	To provide important and current environmental information to Korean and Vietnamese poultry growers on Maryland's Eastern Shore and Delaware who speak little or no English through translated publications, fact sheets and workshops.
Eastern Shore Resource Conservation and Development Council	421,650	443,183	VA	To provide a demonstration of an animal waste-to-energy and nutrient recycling system on a poultry farm on the Delmarva Peninsula which is an intensive poultry-growing region.
Kerr Center for Sustainable Agriculture	271,175	274,206	OK, AR	To implement a comprehensive demonstration and training program for farmers in the targeted region on the key elements of bioextensive system design that will address the soil resource concerns of erosion, carbon emissions and soil degradation.
West Virginia University	134,974	135,183	WV	To evaluate the effectiveness of three aquaponic systems in terms of crop production and water quality improvement.
Walrus and Carpenter Oysters	60,954	61,059	RI, MA	To increase the productivity of producer’s oyster farming, produce a dried organic macroalgae fertilizer, and provide a proof of concept that is transferable to other estuaries and oyster farms.
Oregon State University	115,285	142,655	OR	To develop a prototype mobile-lab operation designed explicitly to support the Irrigation Management Online program to minimize user effort to initiate the program, recognize and correct errors in program operation, and provide ongoing technical response to issues that arise after initial use.

Recipient	Federal Funding Approved	Non-Federal Funding	Location of Recipient	Purpose
Western United Dairymen	1,000,000	2,687,381	CA	To examine current dairy farms groundwater conditions and how they relate to historical operations; identify, as possible, past practices and any recent changes to those practices that may have contributed to currently observed groundwater quality conditions; generate results that are applicable beyond areas of monitored dairies (extrapolate to other non-monitored farms); and ultimately identify practices that are relatively assured to be protective of groundwater quality.
Colville Confederated Tribes	164,464	160,912	WA	To reduce wind erosion by 2 tons per acre on 1,000 acres of Colville Tribal land and reduce CO2 by 500 pounds per year.
Agricultural Drainage Management Coalition	195,625	195,721	IA, IL, IN	To demonstrate and evaluate the environmental effectiveness of saturated buffer technologies in key Midwestern drainage States (IA, IL, IN), under a variety of soils and climate conditions and landscapes, and demonstrate and evaluate the usability of saturated buffers and its impact on drainage outflows and nutrient reduction in the Midwest.
New North Florida Cooperative Association, Inc.	581,625	592,020	FL	To establish training sites to demonstrate how to integrate select conservation production practices and alternative market development for small-scale farm operations, provide up-to-date technical assistance in conservation and production technologies and marketing strategies suitable for small-scale agricultural operations, and provide access to viable and profitable markets for beginning, limited resource and socially disadvantaged farmers.

Recipient	Federal Funding Approved	Non-Federal Funding	Location of Recipient	Purpose
The American Chestnut Foundation	541,136	541,136	PA, OH, WV, KY, VA	To use Restoration Chestnuts and other high-quality hardwoods to establish diverse forest plantings on reclaimed mine sites in Appalachia.
Quasar Energy Group, LLC.	1,000,000	1,245,000	OH	To use Battelle's nutrient recovery process to remove phosphorus from anaerobic digester effluent as a concentrated, saleable product without producing sludge that requires landfill disposal.
National Fish and Wildlife Foundation	848,424	1,562,319	DE, PA, VA, MD, WV	To implement the Manure Initiative to: 1) reduce the land application of manure in the Chesapeake Bay's nutrient hotspots, 2) displace imported fertilizer products with products derived from locally grown manure, 3) reduce phosphorus and nitrogen runoff to the Chesapeake Bay and its tributaries, 4) increase the viability of sustainable agriculture by transforming a manure liability into a farm asset, and 5) increase private financing of manure-to-energy technologies in the region.
Washington State University	410,491	410,509	WA	To evaluate select proven best management practices (BMPs) primarily for reducing emissions of NH3 from dairy operations and demonstrate their respective mitigation of NH3 (and other relevant) emissions from such dairy barns; either individually or in combination.
Board of Regents of the University of Wisconsin System	700,000	700,051	WI	To improve the efficiency of water and energy use in the irrigation of vegetable crops in Central Wisconsin, develop mechanisms for monitoring groundwater depth, and improve nitrogen management and decrease leaching.

Recipient	Federal Funding Approved	Non-Federal Funding	Location of Recipient	Purpose
Kunia Loa Ridge Farmlands, Inc	516,000	517,000	HI	To demonstrate how streamlined individual conservation plans can be developed and implemented under the umbrella of one Landscape Scale Conservation Plan, and assist native Hawaiian and Pacific Island farmers in adopting sustainable conservation methods. Sustainable agriculture makes sense for Pacific island farmers.
Purdue University	241,005	241,070	IN	To demonstrate treatment effectiveness and efficiency for nitrogen contaminants in watershed runoff with an innovative bench wetland system, including a two-stage ditch with wetland features together with a bioreactor, and to quantify the other ecosystem services provided by the practice as noted below.
Oklahoma Association of Conservation Districts	412,510	412,500	OK	To create Oklahoma's first marketable wildlife credit and the framework for application of future wildlife credits to other species and regions of the state.
Cornell University	203,723	203,723	NY, PA, MI	To document a reduction in nutrient loading by operations that utilize vermicompost-based fertility programs.
SureHarvest	761,793	794,454	AZ, AR, CA, CO, FL, GA, ID, LA, ME, MD, MA, MI, MN, NJ, NY, NC, OR, PA, SC, TX, WA, WI	To expand and complete metrics pilot testing, to develop, refine and manage metric portfolio, and Governance, outreach and tool development.
GreenTrust Alliance, Inc	260,457	260,458	MD	To promote the Farm-of-the-Future concept which incorporates ecosystem benefits into a landowner's portfolio as an effective method of generating revenue through the creation of nutrient offset credits and a

Recipient	Federal Funding Approved	Non-Federal Funding	Location of Recipient	Purpose
				real world demonstration of actual water quality trades.
Maryland Department of Agriculture	650,760	660,000	MD	To increase producer's adoption of new innovative drainage ditch filter technologies through an improved management support system, utilizing progressive technologies such as increased utilization of agro drains, phosphorus absorbing material filters (PSMs), off-line wetlands, buffer setbacks, algal turf scrubbers, hydromodification, and weed wiper technology, coordinate a program to improve water quality in drainage systems on the Lower Eastern Shore.
The Blackfoot Challenge, Inc	53,475	108,614	MT	To deliver knowledge and successful approaches of the Blackfoot Irrigation Efficiency Project to partners in Western Montana and to increase the use of energy and water efficiency incentives by agricultural producers.
Colorado State University	340,858	346,594	CO	To improve the existing NRCS funded National Air Quality Site Assessment Tool (NAQSAT) to include a summary of what the key management practices identified by the existing NAQSAT area for a given operation and what EQIP programs are available that would assist with the mitigation of the air quality components of concern.
Flint River Soil and Water Conservation District	530,720	530,720	GA	To deploy a system of advanced agricultural water conservation measures designed to maximize irrigation efficiency, and offset the impact of low-flow conditions on aquatic-based ecosystem services in the Lower Flint River Basin of

Recipient	Federal Funding Approved	Non-Federal Funding	Location of Recipient	Purpose
				Georgia.
Sun Farm Oysters, LLC	93,458	93,458	RI	To evaluate the performance of paddle wheel upweller and compare against axial flow upweller and conventional floating and bottom culture methods.
Environmental Defense Fund, Inc	481,665	500,186	IA, MN, IL, WI	To develop science-based tools for conservation planning and evaluation, increase the economic viability of practice implementation, and link science and economics for watershed planning.
World Resource Institute	299,925	300,003	MS	To continue innovating the NTT and provide a "proof of concept" that the proposed enhancements - linking to the watershed-scale Soil and Water Assessment Tool and to the Farm Economic Model - will make it useful as a field-level conservation assessment tool to benefit water quality improvement efforts.
Total	29,898,335	35,069,736		

Mr. Kingston: Please describe what NRCS has learned as a result of the Conservation Innovation Grants program. What new conservation activities or innovations have been adopted because of the program?

Response: The Conservation Innovation Grants (CIG) program provides opportunities to test and evaluate innovative conservation approaches and technologies. Based on CIG demonstration projects, NRCS added conservation practices to the list of those available for payment through the Environmental Quality Incentives Program (EQIP). NRCS adjusted payment schedules in EQIP for additional conservation practices used by farmers and ranchers to address resource issues on farms or ranches. Findings from completed CIG projects resulted in enhancements to conservation practices for farmer and rancher use and new tools for conservationists', partners', and technical service providers' use in layout, design, or installation of conservation practices.

Examples of new conservation activities or innovations include:

- Acceptance of Variable-Rate Irrigation (VRI) technology for water conservation, which is now eligible for financial assistance in several States. With the support of a NRCS CIG, researchers at the University of Georgia Research Foundation, Inc. demonstrated and tested the impact in actual farm situations of adding VRI technology to traditional spray-type center pivot irrigation systems. They found that VRI has the potential to reduce water usage by 12 to 20 percent.

- Development of a series of Web-based energy self-assessment tools that farmers in the upper Midwest can use to evaluate their baseline energy use and the potential cost-effectiveness of various energy conservation measures. With the support of CIG, the University of Wisconsin worked with NRCS information technology staff to develop these tools. Additionally, several renewable energy tools were developed to help farmers assess renewable energy potential on their farms.

- Development of numerous air and water quality innovations, including an air quality chapter for a workbook of best management practices to help vineyard and winery operations, by the California Sustainable Winegrowers Alliance. The Alliance also used demonstration sites to showcase innovative technologies and practices. Two subsequent ongoing CIG projects focus on developing and implementing tools and metrics for evaluating environmental sustainability and training growers in using these tools to correctly plan and implement conservation practices; developing incentive programs to reduce energy and water use; and improving the tools and programs to make them transferable to other commodities.

In fiscal year 2012, the Natural Resources Conservation Service released a CIG program report entitled "Identifying New Tools and Practices." This report examines the CIG program experience to date, looking at where and how grants were awarded, project results, and the process NRCS is putting in place to evaluate, replicate, and potentially adopt the technologies and practices for widespread use. The report can be found online at NRCS CIG Web site: http://www.nrcs.usda.gov/technical/cig/index.html

CONTINUOUS PROCESS IMPROVEMENT IN CONSERVATION INNOVATION GRANT PROGRAM

Mr. Kingston: What is the status of NRCS's plan to contract with a consultant to employ the Continuous Process Improvement approach regarding CIG program? What changes have been made to the program?

Response: In fiscal year 2011, the Natural Resources Conservation Service engaged in a Continuous Process Improvement (CPI) effort. This method has been adopted by USDA to improve both efficiency and results, and to provide recommendations and a roadmap that will enhance the CIG administration and technology transfer processes into the agency (through policy, manual, standards, handbooks) or into the private sector. The project evaluated the current CIG process to document, communicate, and recommend improvements to administration, management, and technology transfer aspects of the CIG Program utilizing the Define - Measure - Analyze - Improve - Control framework (D-M-A-I-C).

The CIG project started in February 2011 and was successfully closed on September 2011. The CIG CPI identified seven high-level CIG processes: Program Funding, Review Process (Pre-Work), Review Process (Pre-Proposal/Full Proposal), Showcase, Selection/Award, Grants Management, and Technology Transfer.

The CPI contractor found that the overall CIG program administration is as lean as possible to carry out all the necessary tasks. Technology Integration and Resources were identified as areas of concern, revealing vulnerabilities in the Technology Transfer process. This presented opportunities to:

- Increase efficiency
- Develop a new policy to address gaps
- Facilitate an increased efficiency feedback loop

The CIG CPI effort prompted improvement proposals that are being implemented throughout fiscal year 2012 and beyond, including:

- Revising the General Manual Policy, Title 450, Part 401, Technology, to include technology integration of CIG projects. This revised policy will institutionalize technology integration activities for future CIG project findings.
- Posting a link on the National CIG Web site to final reports for public review. This provides a repository of completed final reports for use by researchers.
- Establishing a national technology integration subcommittee to utilize the evaluation of completed projects for prioritizing and recommending emerging technologies and approaches for integration in the agency.
- Facilitating technology transfer and providing an avenue to communicate project outcomes; grantees will draft technical notes for use by agency.
- Including technology transfer and integration in the agency performance plan "Conservation Status" under the Annual Initiative

"Science to Inform Decision Making." This reflects a sense of urgency for program performance improvements.

COOPERATIVE CONSERVATION PARTNERSHIP INITIATIVE

Mr. Kingston: Please provide a list of the Cooperative Conservation Partnership Initiative grants awarded in fiscal year 2011. Please include information on the recipient, State where the recipient is located, amount of the award, purpose, and whether any nonfederal funding was provided.

Response: For FY 2011 thirty one Cooperative Conservation Partnership Initiative (CCPI) projects were approved for a total of Federal funding amount of $30.5 million in payments to agricultural producers over the five year project duration. Local project partners will provide $37.2 million to assist in project implementation. In addition producers participating will contribute to conservation practice implementation according to program rules and guidelines. The table below provides information for each CCPI award.

[The information follows:]

FY 2011 Cooperative Conservation Partnership Initiative Projects

Lead State	Other States	Project Sponsor	Project Name	Project Description	Federal Funds	Non-Federal Partner Funding
AZ		Willcox-San Simon NRCD	Bonita Grassland Restoration	Wildlife Habitat Incentive Program (WHIP) funds to implement a five year CCPI Grassland Restoration project on 105,613 acres of privately owned rangeland in northern Cochise and southern Graham Counties in southeastern Arizona.	$1,000,000	$450,000
AZ		Navajo Nation Dept. Of Water Resources	San Juan Farm Irrigation System Improvements	Improve water management, introduce equity in irrigation water delivery to all producers, improve water quality and support habitat protection for endangered species in the San Juan River watershed.	1,213,000	1,132,000
CA		South Coast Resource Cons. & Dev. Council	Southern California Forest Restoration Project	The objectives of the South Coast RC&D with this CCPI proposal are to: 1) Reduce the risk of catastrophic wildfires 2) Improve water quantity and water quality to a multitude of critical watersheds, 3) Restore burned forest ecosystems 4) Restore federally designated threatened and endangered species habitat, 5) Increase forest sustainable conservation activities on tribal lands and economically/socially disadvantaged forest owners, and 6) Bioenergy infrastructure development.	930,974	1,780,999
CA		Butte County Resource Conservation District	Lower Feather River/Honcut Creek	Address water quality, water quantity, and nutrient management issues through the direct implementation of proven	2,500,000	385,860

Lead State	Other States	Project Sponsor	Project Name	Project Description	Federal Funds	Non-Federal Partner Funding
			Watershed Action Plan	Best Management Practices (BMPs). The BMPs will adhere to NRCS standards and specifications and will be designed to maximize water savings and reduce offsite runoff of Diazinon, water-born sediment, and nutrient-based runoff that can affect water quality.		
CO		Three Rivers Alliance, Inc	Republican River Watershed Riparian Health Initiative	Partner landowners, non-profit organizations, county and state agencies and the Natural Resources Conservation Service to directly address water conservation and wildlife habitat resource concerns on the South Fork of the Republican River and on the Arikaree River in Colorado.	100,000	57,000
CO		Painted Sky RC&D	Uncompahgre Valley Soil And Water Quality	Coordinate and lead a multicounty program to provide technical and financial assistance to row-crop producers within the Uncompahgre Valley (Delta and Montrose County), a warm central desertic basin of mesic temperature and aridic moisture regime	1,350,000	850,000
CO		Rio Grande Headwaters Restoration Project	2011 Rio Grande Plaza Project - Phase 2	The second of a series of projects that will address degradation in function of the Rio Grande in the Sevenmile Plaza area of Rio Grande County, Colorado.	400,000	220,000
ID		Madison Soil And Water Conservation	Madison County Irrigation	Variable Frequency Drive (VFD) attached to their pumps will enable producers to slow the	1,446,000	536,300

Lead State	Other States	Project Sponsor	Project Name	Project Description	Federal Funds	Non-Federal Partner Funding
		District	Improvements	pump's revolutions and match the system's water output to the crop needs.		
ID		Kootenai Tribe of Idaho	Kootenai River Valley Cooperative Habitat Restoration Project	Engage agricultural producers in a large-scale ecosystem restoration effort being implemented in a 55-mile long reach of the Kootenai River in the state of Idaho. Historical conversion of more than 50,000 acres of floodplain to agricultural fields resulted in loss of riparian and wetland plant and animal species, and related functions that normally support a healthy ecosystem.	1,649,410	13,000,000
ID		Jefferson Soil & Water Conservation District	Jefferson Snake River Efficiency Project	Provide financial incentives to them that are needed to significantly increase irrigation efficiencies on surface irrigated cropland and reduce water diverted from the Snake River.	304,592	278,775
ID		Idaho SCD	Twin Falls Nitrate Priority Area	The project goal is to enroll agricultural producers in High Intensity Water management and High Intensity Nutrient Management. Since these management practices are not widely used in the area, the project will serve as a demonstration to show agricultural producers the benefits of nutrient management and irrigation water management.	332,650	418,250
ID		West Cassia SWCD	Nutrient And Irrigation Water	The project goal is to enroll agricultural producers in High Intensity Irrigation Water	6,618,000	5,600

Lead State	Other States	Project Sponsor	Project Name	Project Description	Federal Funds	Non-Federal Partner Funding
			Management	Management, and High Intensity Nutrient Management. Since these management practices are not widely used in the area, the project will serve as a demonstration to show agricultural producers the benefits of nutrient management and irrigation water management		
IN		Indiana Department Of Natural Resources	Forest Management Promotion In The Shawnee Hills & Highland Rim Eco-Regions	Promote forest management and conservation within the Shawnee Hills and Highland Rim Eco-Regions by focusing conservation practices on private forestlands within the Hoosier National Forest Purchase Boundaries.	900,000	150,000
IN		Greater Wabash River Resource Conservation & Development Council, Inc	Wildcat Creek Cooperative Conservation Partnership Initiative	Partner with the existing Wildcat Creek Mississippi River Basin Initiative-CCPI proposal to address habitat development, restoration, and improvement by gaining funds for the Natural Resources Conservation Service (NRCS) practice standard 314 (brush management). The addition of monies for this practice standard will allow landowners to first remove the invasive species present on their property and then create a quality habitat through the MRBI-CCPI Initiative.	30,000	18,600
MD		Queen Anne's Soil Conservation District	State Of Maryland's Cover Crop Program	Project is aimed at adding funding in addition to the State of Maryland's Cover Crop Program to aid agricultural producers with the costs associated with establishing	300,000	2,250,000

Lead State	Other States	Project Sponsor	Project Name	Project Description	Federal Funds	Non-Federal Partner Funding
				cover crops for nutrient uptake and overall soil health.		
MD		Talbot Soil Conservation District	Talbot County, Maryland Cover Crop Program	Promote use of cover crops on sensitive lands along the Chesapeake Bay and adjacent waterways.	425,000	2,000,000
MO		Holt County Soil And Water Conservation District	Terraces, Water & Sediment Control Basins And Underground Tile Outlets And Establish Cover Crops	Constructing Terraces, Water & Sediment Control Basins and Underground Tile Outlets and establish Cover Crops to reduce sheet & rill and gully erosion and improve organic matter depletion.	1,080,000	1,181,500
MO		Missouri Department Of Conservation	The Current River Hills Of South Missouri	Improve habitat on private lands to complement habitats on large public land and industrial forest.	500,000	8,025,000
MO		Missouri Department Of Conservation	Restoring Glades And Woodland Natural Communities In SE Missouri	Restore 1,600 acres of glades and associated woodland habitats, and improve wildlife habitat values of 2,250 acres of pasture and 1,360 acres of forest, within high importance Conservation Opportunity Areas in Reynolds, Shannon, and Carter Counties, Missouri.	500,000	326,000
MO		Lafayette County SWCD	Improving Soil And Water Conditions	Implement conservation practices including 600 Terraces and 620 Underground Tile Outlets to address erosion control in Lafayette County.	1,245,000	1,456,000
NY		Seneca Trail RC And D Council,	Preparing For Climate Change And	Install conservation practices. The anticipated amounts to be installed in this project	337,500	72,000

Lead State	Other States	Project Sponsor	Project Name	Project Description	Federal Funds	Non-Federal Partner Funding
		Inc.	Its Effect On Stream Water Quality In The Conewango Creek Watershed	include 15,000 feet of 580-Streambank and Shoreline Protection, 35 acres of CP22-Riparian Forest Buffer and CP21-Filter Strips (Grass Strips) combined. The conservation practices for the stream buffers will be funded by FSA through the Conservation Reserve Enhancement Programwhile the streambank stabilization practice will be funded by NRCS through EQIP.		
OR		Wallowa Soil & Water Conservation District	Prairie Creek Irrigation Efficiency Improvement	Help pay for the piping of the lateral ditches which would substantially improve irrigation efficiencies. This in turn will reduce flows in Prairie Creek, and augment flows in the upper Wallowa River area. In all cases, providing water via pipelines will reduce horsepower requirements of existing pumps, decreasing use of electricity generated by coal fired power plants. Wells, pumps, pipelines and watering facilities will be installed to provide livestock water, replacing the water lost by putting the ditch in a pipe. This will improve water quality and reduce fecal coli-form additions in waterways.	800,000	400,000
OR		Columbia Blue Mt. RC&D	Rudio Creek Restoration Partnership	Serve as a model for future watershed-wide restoration projects in the basin. The landowners participating are willing to dig in and work	636,000	-

Lead State	Other States	Project Sponsor	Project Name	Project Description	Federal Funds	Non-Federal Partner Funding
				through the process of developing a program that will not only benefit their watershed, but which has the potential to be used as a pilot for other such collaborative programs.		
OR		Klamath Soil And Water Conservation District	Upper Klamath Oak Habitat Conservation Project	Provide financial incentives to producers who enter their land into EQIP contracts through CCPI and voluntarily install conservation practices that will improve or maintain critically important oak woodlands.	250,000	390,216
OR		Keating SWCD	Targeting Medusahead In Prime Sage Grouse Habitat	Treat degraded rangeland sites destroyed by the invasion of Medusahead Rye (Taeniatherum caput-medusae).	300,000	-
OR	CA	Lomakatsi Restoration Project	The Central Umpqua-Mid Klamath Oak Conservation Project	Support the Central Umpqua-Mid Klamath Oak Habitat Conservation Project. This project would provide financial benefits to producers who enter into EQIP contracts through CCPI and install conservation practices that protect, enhance, or restore declining oak habitats.	1,829,000	960,944
OR		Morrow Soil & Water Conservation District	Heppner-Lexington Conservation Pipeline	Provide gravity fed irrigation water to nearly 1,500 acres of cropland on eleven farms in the Willow Creek Valley in Morrow County, Oregon, between Heppner and Lexington.	1,371,930	342,500
OR		Wheeler Soil And Water	Twickenham/ Rowe Creek	Return the area to a more historic condition by allowing	364,329	-

Lead State	Other States	Project Sponsor	Project Name	Project Description	Federal Funds	Non-Federal Partner Funding
		Conservation District	Long-Term Restoration/ Management Project	for the return of the natural fire regime.		
VA		New River-Highlands RC&D Council	New River Grazing Management Initiative	Address the issue of lack of training and or management practice assistance producers receive under current USDA programs for grazing land.	999,020	162,000
VA		Chesapeake Bay Foundation	Water quality improvements in the Shenandoah River watershed	Provide technical assistance and enroll participating farmers in the watershed in EQIP and WHIP practices that will help achieve regional water quality goals, including reducing nitrogen, phosphorus, sediment, and pathogen loading to tributaries of the Shenandoah River.	100,000	4,000
WA		Washington Water Project of Trout	Methow Basin Flow Enhancement Project	Help fund irrigation efficiency improvements for irrigators who wish to upgrade their handline systems to pivots, and the Washington Water Project of Trout Unlimited (TU-WWP) will place the water savings from the efficiency improvements into the Washington State Trust Water Right Program.	650,000	350,000

CONSERVATION SECURITY PROGRAM

Mr. Kingston: For the Conservation Security Program, please provide the total number of existing contracts, including the funding associated with them, their location (State), the number of years remaining on the contracts and the total estimated payments.

Response: The following table summarizes the number of active Conservation Security Program (CSP) contracts by State and the associated financial assistance obligation, and projected obligations for fiscal years 2012 - 2017. All active contracts will expire on or before 2017.

[The information follows:]

Active Conservation Security Program Contracts

State	Number of Active Contracts	Contract Obligations 2004-2011	Projected Obligations 2012-2017	TOTAL
Alabama	85	$9,491,159	$10,263,460	$19,754,619
Alaska	6	159,289	109,144	268,433
Arizona	12	1,632,740	2,518,545	4,151,285
Arkansas	683	68,207,845	8,252,196	76,460,041
California	351	33,361,068	16,648,318	50,009,386
Colorado	215	24,050,414	18,316,966	42,367,380
Connecticut	15	282,721	223,595	506,316
Delaware	36	3,513,773	2,082,677	5,596,450
Georgia	176	23,022,773	10,402,970	33,425,743
Hawaii	15	1,270,772	997,086	2,267,858
Idaho	468	73,786,872	40,867,069	114,653,941
Illinois	543	61,366,749	10,111,833	71,478,582
Indiana	480	50,817,564	10,389,612	61,207,175
Iowa	1,310	126,339,708	12,754,068	139,093,776
Kansas	468	53,342,125	10,346,633	63,688,758
Kentucky	54	2,628,908	1,444,289	4,073,197
Louisiana	19	1,178,878	392,801	1,571,679
Maine	53	1,981,974	589,895	2,571,869
Maryland	319	20,024,940	5,828,667	25,853,607
Massachusetts	6	40,746	20,007	60,753
Michigan	458	43,788,022	20,667,917	64,455,939
Minnesota	315	36,410,694	7,984,293	44,394,987
Mississippi	44	2,642,673	2,496,712	5,139,385
Missouri	1,173	166,329,458	58,825,386	225,154,844
Montana	347	67,534,634	21,593,121	89,127,754
Nebraska	843	57,707,170	27,835,364	85,542,534
Nevada	34	2,445,686	758,087	3,203,773
New Jersey	18	853,389	441,117	1,294,506
New Mexico	74	9,473,814	3,714,550	13,188,365
New York	117	6,816,240	2,416,155	9,232,395
North Carolina	42	5,218,892	784,668	6,003,560
North Dakota	265	43,038,038	21,663,137	64,701,176
Ohio	1,006	99,440,689	33,895,944	133,336,633
Oklahoma	556	26,359,891	16,118,200	42,478,090
Oregon	895	166,657,985	36,714,314	203,372,300
Pennsylvania	161	6,412,162	1,849,757	8,261,920

State	Number of Active Contracts	Contract Obligations 2004-2011	Projected Obligations 2012-2017	TOTAL
Rhode Island	9	130,876	26,522	157,398
South Carolina	186	14,441,481	10,800,377	25,241,858
South Dakota	114	10,261,373	4,772,751	15,034,124
Tennessee	72	2,916,769	865,457	3,782,226
Texas	68	10,601,436	6,556,214	17,157,650
Utah	139	18,577,032	5,625,749	24,202,781
Vermont	6	192,318	85,469	277,787
Virginia	73	3,069,117	604,102	3,673,219
Washington	229	38,217,719	6,754,026	44,971,746
West Virginia	69	1,565,741	1,010,862	2,576,603
Wisconsin	531	33,178,493	8,248,210	41,426,703
Wyoming	122	11,519,439	4,855,470	16,374,909
Caribbean Region	18	177,690	40,332	218,022
Pacific Basin	5	147,931	9,329	157,260
TOTAL	13,303	1,442,627,871	470,573,424	1,913,201,295

Mr. Kingston: How many new conservation practices were installed under the Conservation Security Program?

Response: There have been 1,033 new conservation practices installed under the Conservation Security Program to date. Conservation practices are activities that meet the minimum NRCS standards and specifications. There have also been 1,008,929 enhancements installed under the Conservation Security Program to date. This total counts each fiscal year in which an enhancement adopted as part of a CSP contract is implemented by a participant. Enhancements are activities that provide increased resource benefits beyond minimum requirements.

CONSERVATION STEWARDSHIP PROGRAM

Mr. Kingston: Please provide the number of acres per year that have been enrolled in the Conservation Stewardship Program. How many will be enrolled in fiscal year 2012? What is the average cost per acre of all enrolled contracts? What is the average acreage enrolled per farm?

Response: In fiscal year 2010, 25.2 million acres were enrolled in the Conservation Stewardship Program (CSP). Fiscal year 2011 enrollment was 12.8 million acres. NRCS has calculated the apportionment for fiscal year 2012 (after maintenance of existing contracts is deducted) can provide obligation authority for approximately 10.8 million acres. The average cost per acre of all enrolled contracts is $13.48/acre. The average acreage enrolled per farm is 1,260.4 acres.

[The information follows:]

Conservation Stewardship Acres per year, Enrollments, and Average Costs

	2010	2011	2012 Estimated	Total
Acres (millions)	25.2	12.8	10.8	48.7
Average Cost Per Acre	$12.73	$15.01	$12.7	$13.48 Avg
Average Acres Per Operation	1,223.5	1,324	1,233.7	1,260.4 Avg

Mr. Kingston: How much funding was allocated to maintain existing practices and how much was allocated for new practices in fiscal year 2011 for the Conservation Stewardship Program? How much is estimated to be allocated for these purposes in fiscal year 2012?

Response: The Conservation Stewardship Program provides one unified payment to each recipient that includes funding for both maintenance of existing activity and for additional practices and enhancements. NRCS analyzed payments to producers, environmental benefit points awarded, payment rates, and applicable payment caps to estimate the allocation between payments associated with new and maintenance activities. In the sign-up for fiscal year 2011, new activities accounted for approximately 67 percent of obligations, and existing activities accounted for 33 percent. We anticipate that for 2012, a similar ratio will continue for new and existing activities.

WETLANDS RESERVE PROGRAM

Mr. Kingston: Please provide a chart showing the cumulative total number of acres enrolled in permanent easements, 30-year easements, 30-year agreements with Tribes, and restoration cost-share agreements in the Wetlands Reserve Program. Please also provide the actual acreage enrollment by category for fiscal year 2011.

Response: Table 1 below shows the cumulative total number of acres enrolled in permanent easements, 30-year easements, 30-year agreements with Tribes, and restoration cost-share agreements in the Wetlands Reserve Program. Table 2 below provides the actual acreage enrollment by category for fiscal year 2011.

[The information follows:]

Table 1: WRP Cumulative Enrolled Acres by Enrollment Type
Fiscal Years 1992 - 2011

Enrollment Type	Cumulative Acres
30-Year Easement	421,237
Permanent Easement	1,947,154
Restoration Cost-Share Agreement	123,479
30-Year Contracts with Tribes	3,258
Total	2,495,128

Table 2: WRP Enrolled Acres by Enrollment Type Fiscal Year 2011	
Enrollment Type	Acres
30-Year Easement	59,230
Permanent Easement	139,904
Restoration Cost-Share Agreement	963
30-Year Contracts with Tribes	89
Total	200,186

Mr. Kingston: How much funding was allocated to permanent easements, 30-year easements, 30-year agreements with Tribes, and restoration cost-share agreements in fiscal year 2011 in the Wetlands Reserve Program? What is the technical assistance cost associated with each?

Response: Funding was obligated to enroll permanent easements, 30-year easements, 30-year agreements with Tribes and restoration cost-share agreements in fiscal year 2011 in the Wetlands Reserve Program as shown in the table below.

The WRP technical assistance obligated in fiscal year 2011 was approximately $45.6 million. Data regarding technical assistance costs associated with each enrollment type is not collected by NRCS.

[The information follows:]

Wetlands Reserve Program Fiscal Year 2011 Funding Summary by Agreement Type	
Agreement Type	Amount
30-Year Easements	$72,645,291
Permanent Easements	$332,640,944
30-Year Contract with Tribes	149,427
Restoration Agreements Associated with Easements or 30-Year Contracts with Tribes	a/76,230,461
Restoration Cost-Share Agreements	1,796,775

a/ Data is not available to break out funding for Restoration Agreements associated with Easements or 30-year Contracts with Tribes by type of easement.

Mr. Kingston: What was the average cost of permanent easements, 30-year easements, 30-year agreements with Tribes, and restoration cost-share agreements for the Wetlands Reserve Program for fiscal year 2011?

Response: The fiscal year 2011 average cost of permanent easements, 30-year easements, 30-year agreements with Tribes, and restoration cost-share agreements for the Wetlands Reserve Program is in the table below.

[The information follows:]

Wetlands Reserve Program
Fiscal Year 2011 Summary of Average Cost by Agreement Type

Type of Agreement	Amount	Number of Agreements	Acres	Average Cost per Easement	Average Cost Per Enrolled Acre
30-Year Easements	$72,645,291	414	59,230	$175,472	$1,226
Permanent Easements	332,640,944	708	139,904	469,832	2,378
30-Year Contract with Tribes	149,427	1	89	149,427	1,679
Restoration Cost-Share Agreement	1,796,775	16	963	112,298	1,866

Mr. Kingston: Please provide a chart showing WRP enrollments, including acres, contracts and associated funding by State.

Response: The fiscal year 2011 WRP enrollments, acres, and associated funding by State are represented in the chart below.

[The information follows:]

Fiscal Year 2011 WRP Enrollments and Obligations by State

	Number Contracts Enrolled	Total Acres	Total Obligated
Alabama	43	4,231	$10,716,223
Alaska	-	-	57,039
Arizona	-	-	79,800
Arkansas	29	6,458	12,663,062
California	43	12,356	36,829,131
Colorado	2	760	1,731,517
Connecticut	-	-	100,869
Delaware	1	17	419,270
Florida	9	22,879	101,095,750
Georgia	20	5,917	9,743,896
Hawaii	-	-	139,851
Idaho	4	812	2,709,164
Illinois	20	1,834	7,496,920
Indiana	47	3,191	15,380,601
Iowa	42	4,125	37,383,296
Kansas	20	2,054	4,972,510
Kentucky	11	2,493	8,649,280
Louisiana	41	18,876	43,566,997
Maine	1	450	514,288
Maryland	16	1,853	7,203,554
Massachusetts	5	242	3,845,527
Michigan	14	1,086	3,842,145
Minnesota	131	13,322	28,164,317
Mississippi	40	7,947	22,880,219

Fiscal Year 2011 WRP Enrollments and Obligations by State

	Number Contracts Enrolled	Total Acres	Total Obligated
Missouri	74	6,353	17,218,133
Montana	7	1,045	2,094,933
Nebraska	44	5,486	14,380,685
Nevada	3	3,687	3,532,558
New Hampshire	7	1,331	3,171,705
New Jersey	4	185	1,206,258
New Mexico	1	285	1,596,163
New York	30	1,380	4,718,826
North Carolina	1	2,169	8,041,535
North Dakota	182	31,344	34,199,655
Ohio	17	1,709	7,390,424
Oklahoma	13	2,342	8,896,136
Oregon	3	391	4,893,667
Pennsylvania	41	1,969	8,891,194
Rhode Island	1	20	195,828
South Carolina	8	4,769	7,949,370
South Dakota	92	10,203	20,573,309
Tennessee	14	2,426	18,974,061
Texas	11	8,102	16,994,286
Utah	1	22	1,616,763
Vermont	4	143	582,916
Virginia	7	288	1,204,692
Washington	8	597	1,351,718
West Virginia	5	87	772,714
Wisconsin	19	1,942	9,018,652
Wyoming	3	1,013	1,510,192
Total	1,139	200,191	561,161,599

Source: National Easement Staging Tool (NEST) October 12, 2011; and FFIS Status of Easement Final as of September 30, 2011.
Note: Enrollments include active and completed agreements enrolled during FY 2011. Enrollment numbers are subject to change (e.g. agreement may be cancelled; acres may increase or decrease due to survey, etc.). FA and TA obligations include obligations for both FY 2011 enrollments and associated costs for FY 2011 and prior year enrollments.

Mr. Kingston: How many WRP contracts, including acres and associated costs, have been sold or transferred since the contract was first signed? How many contracts are held by States and organizations?

Response: The National Easement Staging Tool (NEST) is the official NRCS database for easement program data. NEST became available for WRP data entry during June 2010. At that time, for all existing closed easements the information entered into NEST was based on current landowner data; but the current landowners as of June 2010 may or may not have been the original landowners at the time the easement closed. June 2010 marked the start of when landowner transfers were tracked in an official database system. Based on information entered into NEST to date, our records indicate that 77 closed WRP easements on approximately 16,500 acres have transferred to a new owner once the WRP easement was in place. As these easements were transferred after closing there were no associated enrollment costs that were transferred. Of these transferred closed easements, 13 are held by States and other local government entities.

Mr. Kingston: WRP does not have a baseline for new enrollment in fiscal year 2013 unless Congress provides additional spending authority. How much is the baseline for monitoring and compliance activities?

Response: The purpose of WRP is to preserve, protect and restore valuable wetlands. The program's authority to enroll new easements expires at the end of fiscal year 2012 and is not assumed to extend in the fiscal year 2013 President's Budget. The budget includes $224 million in WRP funding to support NRCS's statutory responsibility to monitor, restore and maintain easements enrolled before September 30, 2012. Approximately $159 million of the $224 million needed for WRP in FY 2013 is related to implementing restoration on existing enrollments, the remaining $65 million is for biological and compliance monitoring, enforcement and management.

Mr. Kingston: How many WRP tracts were monitored in fiscal year 2011? How many were found to have problems or otherwise be out of compliance?

Response: NRCS is currently adding functionality to its national easement database tool to allow for the tracking of easement monitoring events and associated compliance issues at a national level. There is no national tracking system for easement monitoring from which to obtain this information at this time. Based on estimated costs for conducting monitoring we estimate approximately 40 percent of closed WRP easements were monitored in fiscal year 2011. National Headquarters staff is aware of eight violations found on easements in fiscal year 2011.

GRASSLANDS RESERVE PROGRAM

Mr. Kingston: Please provide a chart showing the cumulative total number of acres enrolled in rental contracts, permanent easements and restoration agreements in the Grasslands Reserve Program. Please also provide the actual acreage enrollment by category for fiscal year 2011.

Response: The cumulative total number of Grasslands Reserve Program (GRP) acres enrolled in permanent easements and rental contracts is represented in the first chart below. The second chart below includes the actual GRP easement and rental contract acreage enrollment for fiscal year 2011. There are no stand-alone restoration agreements - all GRP restoration agreements are associated with existing easements.

[The information follows:]

Cumulative Acres Enrolled in
GRP for Fiscal Years
2003 - 2011

Type	Acres
Easement	291,341
Rental	1,105,241

Number of Acres Enrolled in GRP
Fiscal Year 2011

Type	Acres
Easement	78,323
Rental	124,039

Mr. Kingston: How much funding was allocated to rental contracts, permanent easements and restoration agreements in fiscal year 2011 in the Grasslands Reserve Program? What is the technical assistance cost associated with each?

Response: In fiscal year 2011, over $56 million was allocated to purchase permanent easements and the associated restoration agreements through the Grasslands Reserve Program (GRP). Over $14 million was allocated in fiscal year 2011 rental agreements. GRP restoration agreements always are in association with either a rental contract or an easement; therefore, there never will be a stand-alone restoration agreement.

In fiscal year 2011, technical assistance costs for GRP easements and associated restoration agreements were about $5.4 million. GRP is jointly administered by NRCS and FSA. Easements are administered by NRCS and rental agreements are administered by FSA with technical support from NRCS.

Mr. Kingston: What was the average cost of rental agreements, permanent easements and restoration agreements in the Grasslands Reserve Program in fiscal year 2011?

Response: The average cost of permanent easements and the associated restoration agreements in the Grasslands Reserve Program is listed in the table below.

[The information follows:]

Grasslands Reserve Program
Fiscal Year 2011 Summary of Average Costs

Type of Agreement	Amount	Number	Acres	Average Cost Per Easement or Contract	Average Cost Per Acre
Permanent Easements and Associated Restoration Agreements	$56,266,400	110	78,323	$511,513	$718
Rental Contracts/1	$14,481,600	218	124,039	$66,429	$117

/1 The Farm Service Agency administers implementation of GRP rental agreements.

Mr. Kingston: How many cooperative agreements has NRCS entered into under the Grasslands Reserve Program? Please list the name and location of each current cooperator.

Response: NRCS has entered into thirteen cooperative agreements under GRP since they were authorized under the 2008 Farm Bill. The name and location of each current cooperator is identified in the chart below.

[The information follows:]

Grasslands Reserve Program
FY 2011 Cooperative Agreement Summary

Location of Cooperative Agreement Project	Cooperator Name	Cooperative Agreement Status
California	American Land Conservancy	Active
California	California Rangeland Trust	Active
Colorado	Colorado Cattlemen's Agricultural Land Trust	Active
Colorado	Colorado Cattlemen's Agricultural Land Trust	Active
Connecticut	State of Connecticut	Active

Grasslands Reserve Program
FY 2010 Cooperative Agreement Summary

Location of Cooperative Agreement Project	Cooperator Name	Cooperative Agreement Status
California	American Land Conservancy	Active
Colorado	San Isabel Land Protection Trust	Closed (purchased easement)
Colorado	The Nature Conservancy	Active
Connecticut	CT Department of Environmental Protection	Active

Grasslands Reserve Program
FY 2009 Cooperative Agreement Summary

Location of Cooperative Agreement Project	Cooperator Name	Cooperative Agreement Status
Kansas	Ranchland Trust of Kansas	Closed (purchased easement)
Montana	The Nature Conservancy	Expired
North Carolina	Triangle Land Conservancy	Closed (purchased easement)
Wyoming	The Nature Conservancy	Expired

FARM AND RANCH LANDS PROTECTION PROGRAM

Mr. Kingston: How many acres have been enrolled through the Farm and Ranch Lands Protection Program since 2008? How many acres were enrolled in fiscal year 2011 and are estimated to be enrolled in fiscal year 2012?

Response: Since 2008, approximately 470,000 acres have been enrolled through the Farm and Ranch Lands Protection Program. Approximately 213,000 acres were enrolled in fiscal year 2011. It is estimated that approximately 188,700 acres will be enrolled in fiscal year 2012.

Mr. Kingston: How many States and organizations participate in the program? Please provide a list of these entities.

Response: All States are eligible to participate in the Farm and Ranch Lands Protection Program. In fiscal years 2009, 2010, and 2011, there were 216 cooperating entities, which are listed below by State.

[The information follows:]

FRPP Cooperating Entities Participating with Fiscal Year 2009, 2010, and 2011 Agreements by State	
State	Cooperating Entity Name
Alabama	State Of Alabama
Alaska	Alaska Farmland Trust
California	American Land Conservancy
California	American River Conservancy
California	Central Valley Farmland Trust
California	Marin Agriculture Land Trust
California	Solano Land Trust
California	State Of California Department Of Conservation
California	Yolo Land Trust
Colorado	Boulder County Parks & Open Space
Colorado	City Of Fort Collins
Colorado	Colorado Cattlemen's Agricultural Land Trust
Colorado	Colorado Open Lands
Colorado	Gunnison Ranchland Conservation Legacy
Colorado	Mesa Land Trust
Colorado	Montezuma Land Conservancy
Colorado	Palmer Land Trust
Colorado	Rio Grande Headwaters Land Trust
Colorado	San Isabel Land Protection Trust
Colorado	The Nature Conservancy
Colorado	The Trust For Public Land
Colorado	Valley Land Conservancy
Connecticut	City Of Middletown
Connecticut	Connecticut Farmland Trust
Connecticut	Goshen Land Trust
Connecticut	Southbury Land Trust Inc
Connecticut	State Of Connecticut
Connecticut	Town Of Ellington
Connecticut	Town Of Lebanon
Connecticut	Town Of Pomfret
Connecticut	Town Of Woodstock
Connecticut	Wintonbury Land Trust
Delaware	Delaware Agricultural Lands Preservation Foundation
Delaware	State Of Delaware Dept Of Agriculture
Delaware	State Of Delaware
Florida	Alachua County
Florida	Miami Dade County

FRPP Cooperating Entities Participating with Fiscal Year 2009, 2010, and 2011 Agreements by State	
Florida	Saint Johns River Water Mgt Dist.
Georgia	Carroll County Commissioner
Hawaii	Hawaiian Islands Land Trust
Idaho	Sagebrush Steppe Regional Land Trust
Idaho	Teton Regional Land Trust
Idaho	The Nature Conservancy
Illinois	Kane County
Kansas	Kansas Land Trust Inc
Kansas	Ranchland Trust Of Kansas Inc
Kansas	The Nature Conservancy
Kentucky	Fayette Co Rural Land Management Board Inc
Kentucky	Civil War Preservation Trust
Kentucky	Scott County Rural Land Management Board Inc
Maine	Great Works Regional Land Trust
Maine	Maine Farmland Trust Inc
Maryland	Cecil Land Trust
Maryland	Eastern Shore Land Conservancy
Maryland	Lower Shore Land Trust
Maryland	Prince Georges Soil Conservation District
Maryland	Queen Anne's County
Maryland	Worcester County Commissioners
Massachusetts	Commonwealth Of Massachusetts
Michigan	Ann Arbor Charter Township
Michigan	Barton Hills Village
Michigan	City Of Ann Arbor
Michigan	Ingham County Treasurer
Michigan	Kent County Register Of Deeds
Michigan	Leelanau Conservancy
Michigan	Scio Township
Michigan	State Of Michigan
Michigan	Webster Township
Minnesota	Dakota County Treasurer
Missouri	Ozarks Greenways
Montana	Bitter Root Land Trust Inc
Montana	Five Valleys Land Trust
Montana	Flathead Land Trust
Montana	Gallatin Valley Land Trust
Montana	Montana Department Of Fish Wildlife And Parks
Montana	Montana Land Reliance

FRPP Cooperating Entities Participating with Fiscal Year 2009, 2010, and 2011 Agreements by State	
Montana	The Nature Conservancy
Nebraska	Sandhills Task Force
Nebraska	The Nature Conservancy
Nebraska	The Nebraska Land Trust
Nevada	American Land Conservancy
Nevada	Lahontan Valley Land And Water Alliance
Nevada	Nevada Land Conservancy
New Hampshire	Ausbon Sargent Land Preservation Trust
New Hampshire	Five Rivers Conservation Trust
New Hampshire	Pembroke Conservation Commission
New Hampshire	Russell Piscataquog River Watershed Foundation
New Hampshire	Rye Conservation Commission
New Hampshire	Sanbornton Conservation Commission
New Hampshire	Southeast Land Trust Of New Hampshire
New Hampshire	Society for the Protection of New Hampshire Forests
New Hampshire	The Monadnock Conservancy
New Hampshire	The Trust For Public Land
New Hampshire	Town Of Lee
New Hampshire	Town Of Loudon
New Hampshire	Town Of New Boston
New Hampshire	Town Of Stratham
New Jersey	D&R Greenway Land Trust
New Jersey	Hunterdon Land Trust
New Jersey	Hunterdon Land Trust Alliance
New Jersey	New Jersey Conservation Foundation
New Jersey	State Of New Jersey
New Mexico	New Mexico Land Conservancy
New York	Agricultural Stewarship Association
New York	Genesee Land Trust LLC
New York	Genesee Valley Conservancy
New York	Open Space Conservancy Inc
New York	Scenic Hudson Land Trust Inc
New York	Suffolk County Treasurer
New York	Town Of Cazenovia
New York	Town Of Dryden
New York	Town Of Gorham
New York	Town Of Macedon
New York	Town Of Southold
New York	Town Of Warwick

FRPP Cooperating Entities Participating with Fiscal Year 2009, 2010, and 2011 Agreements by State	
North Carolina	Alamance County
North Carolina	Black Family Land Trust
North Carolina	Buncombe County Soil And Water
North Carolina	Catawba Lands Conservancy
North Carolina	County Of Durham
North Carolina	County Of Orange
North Carolina	Foothills Conservancy Of NC Inc
North Carolina	Haywood Soil And Water Conservation District
North Carolina	Land Trust For Central North Carolina Inc
North Carolina	North American Land Trust
North Carolina	Southern Appalachian Highlands Conservancy
North Carolina	Triangle Land Conservancy
Ohio	Black Swamp Conservancy
Ohio	Elizabeth Township
Ohio	Fairfield County Commissioners
Ohio	Lake Soil And Water Conservation District
Ohio	Licking County Soil & Water Conservation District
Ohio	Madison County Commissioners
Ohio	Ohio Department Of Agriculture
Ohio	Tecumseh Land Preservation Association
Ohio	Three Valley Conservation Trust
Ohio	West Central Ohio Land Conservancy
Ohio	Western Reserve Land Conservancy
Oklahoma	Norman Area Land Conservancy Inc
Pennsylvania	Berks County Agricultural Land Preservation Board
Pennsylvania	Buckingham Township
Pennsylvania	Lancaster Farmland Trust
Pennsylvania	Land Conservancy Of Adams County
Pennsylvania	Lebanon Co Agricultural Land Preservation Board
Pennsylvania	Pennsylvania Department Of Agriculture
Pennsylvania	Western Pennsylvania Conservancy
Pennsylvania	Westmoreland Co Ag Land Preservation Board
Rhode Island	Aquidneck Island Land Trust
Rhode Island	City Of Cranston
Rhode Island	Glocester Land Trust
Rhode Island	Little Compton Ag Conservancy Trust
Rhode Island	South Kingstown Land Trust
Rhode Island	State Of Rhode Island
Rhode Island	Town Of Bristol

FRPP Cooperating Entities Participating with Fiscal Year 2009, 2010, and 2011 Agreements by State	
Rhode Island	Town Of Cumberland/Town Planner
Rhode Island	Town Of North Kingstown
South Carolina	Beaufort County Open Land Trust
South Carolina	Horry Soil & Water Conservation District
South Carolina	Oconee Soil And Water Conservation District
South Carolina	Sumter Soil & Water Conservation District
Tennessee	Land Trust For Tennessee
Texas	Hill Country Conservancy
Texas	Texas Land Conservancy
Utah	Marriott-Slaterville City
Utah	Summit Land Conservancy
Utah	Utah Open Lands Conservation Association
Utah	Virgin River Land Preservation Association Inc
Vermont	Vermont Housing And Conservation Board
Virginia	Clarke County
Virginia	Clerk Of The Court Spotsylvania County
Virginia	Piedmont Environmental Council
Virginia	The Potomac Conservancy Inc
Virginia	Virginia Ootdoors Foundation
Washington	Capitol Land Trust
Washington	Cascade Land Conservancy
Washington	Clallam County
Washington	Inland Northwest Land Trust
Washington	King County Dept Of Nat Resources & Parks
Washington	Methow Conservancy
Washington	PCC Farmland Trust
Washington	Skagit County
Washington	Snohomish County
Washington	The Trust For Public Land
Washington	Whatcom County
Washington	Whidbey Camano Land Trust
West Virginia	Berkeley County Farmland Protection Board
West Virginia	Fayette County Farmland Protection Board
West Virginia	Greenbrier Farmland Protection Program
West Virginia	Hampshire County Farmland Protection Board
West Virginia	Jefferson County Farmland Protection Board
West Virginia	Mineral County Farmland Protection Board
West Virginia	Monroe County Farmland Protection Board
West Virginia	Morgan County Farmland Protection Board

FRPP Cooperating Entities Participating with Fiscal Year 2009, 2010, and 2011 Agreements by State	
West Virginia	Nicholas County Farmland Protection Board
West Virginia	Pendleton Farmland Protection Board
West Virginia	Pocahontas County Farmland Protection Board
West Virginia	WV Farmland Protection Authority
Wisconsin	County Of Dane
Wisconsin	Driftless Area Land Conservancy
Wisconsin	Drumlin Area Land Trust
Wisconsin	Jefferson County
Wisconsin	Natural Heritage Land Trust Inc
Wisconsin	Tall Pines Consevancy
Wisconsin	Town Of Dunn
Wisconsin	Town Of Windsor
Wisconsin	Wisconsin Department Of Natural Resources
Wyoming	Green River Valley Land Trust
Wyoming	Jackson Hole Land Trust
Wyoming	Rocky Mountain Elk Foundation
Wyoming	Sheridan Community Land Trust
Wyoming	The Conservation Fund
Wyoming	The Nature Conservancy
Wyoming	Wyoming Game & Fish Commission
Wyoming	Wyoming Land Trust
Wyoming	Wyoming Stock Growers Agricultural Land Trust
Wyoming	Wyoming Stock Growers Association Land Trust

HEALTHY FORESTS RESERVE PROGRAM

Mr. Kingston: Please provide a status report on the Healthy Forest Reserve Program. Please provide information on number of acres enrolled, location and associated costs. Are there any unobligated balances? If so, how much?

Response: During FY 2011, NRCS considered 215 applications in the 13 States with approved projects. Forty-three projects were enrolled, encompassing approximately 23,000 acres, with financial assistance obligations valued over $16 million. In FY 2011, NRCS did not approve any additional States for participation in the Healthy Forests Reserve Program (HFRP) in order to continue to focus on projects and areas that were already approved. The number of acres enrolled, the location and associated costs of HFRP are provided in the table below. There currently are unobligated balances in HFRP of approximately $6 million from prior years.

[The information follows:]

Fiscal Year 2011 Acres Enrolled, State, and Associated Costs

State	Agreements	Acres	Dollars Obligated
Arkansas	-	-	$8,845
California	3	11,915	599,003
Georgia	6	2,310	2,230,395
Indiana	4	752	1,494,752
Kentucky	2	1,465	1,247,520
Michigan	4	85	160,500
Mississippi	-	-	76,693
Ohio	-	-	25,250
Oklahoma	20	5,338	3,512,703
Oregon	6	973	5,698,965
Pennsylvania	-	-	87,994
South Carolina	1	675	950,000
Totals	46	23,513	16,092,620

Notes:
1. Table includes mandatory and discretionary funds for HFRP.
2. Information in the table includes enrollment in restoration cost-share agreements and easements.

EMERGENCY WATERSHED PROGRAM

Mr. Kingston: Please provide a status report on the Emergency Watershed Program. Please include the funding history, current activities, and location of current activities.

Response: The purpose of the Emergency Watershed Protection (EWP) program is to undertake emergency measures, including the purchase of flood plain easements, to safeguard lives and property from natural disasters. Program delivery begins with the local sponsor requesting assistance for a disaster recovery effort. NRCS then conducts a damage assessment to identify if the project is eligible and develops an estimated cost. Program activities include debris removal from streams caused by flooding; installing conservation measures, such as reseeding native grasses to prevent soil erosion on hillsides after a fire; and replanting and reshaping eroded stream banks due to flooding. The President's FY 2013 Budget does not propose funding for this program. Historically, Congress has funded this program through emergency supplemental appropriations as disasters occur.

[The information follows:]

EWP Funding History
(In Thousands of Dollars)

Fiscal Year	Budget Authority
1996	$80,514
1997	229,000
1998	80,000
1999	95,000
2000	84,000
2001	145,258
2002	94,000
2003	-
2004	149,115
2005	354,500
2006	350,955
2007	10,692
2008	490,464
2009	-
2010	-
2011	-
2012	215,900

No appropriations were provided in FY 2003, FY 2009, FY 2010 and FY 2011.

EWP - Status of Funds Table
(February 29, 2012)

State	Allowance	Total Obligations	Committed to Projects	Available Funds Less Commitments
ALABAMA	$9,570,013	$314,050	-	$9,255,963
ALASKA	8,072,888	54,110	-	8,018,778
ARIZONA	4,788,607	7,634	-	4,780,974
ARKANSAS	5,111,440	1,910	-	5,109,530
CALIFORNIA	394,450	294,295	$5,750	94,405
COLORADO	10,792	2,086	-	8,706
CONNECTICUT	602,494	280,720	-	321,774
FLORIDA	7,061,531	6,111,528	-	950,003
GEORGIA	457,925	409,696	-	48,229
HAWAII	167,582	166,206	-	1,376
ILLINOIS	-	9,656	-	-9,656

State	Allowance	Total Obligations	Committed to Projects	Available Funds Less Commitments
INDIANA	244,170	13,299	-	230,871
IOWA	112,000	13,612	4	98,384
KENTUCKY	6,043,963	420,226	-	5,623,737
MAINE	174,000	22,755	-	151,245
MASSACHUSETTS	5,083,105	985,234	-	4,097,871
MINNESOTA	384,450	-	-	384,450
MISSISSIPPI	2,921,447	439,741	-	2,481,706
MISSOURI	33,099,794	3,709,024	7,495,410	21,895,359
MONTANA	3,509,682	2,885,936	-	623,746
NEBRASKA	227,386	-	-	227,386
NEW HAMPSHIRE	696,626	566,693	-	129,933
NEW JERSEY	1,072,500	4,352	-	1,068,148
NEW YORK	34,663,069	14,126	-	34,648,943
N CAROLINA	600,000	-	-	600,000
N DAKOTA	1,460,035	249,122	-	1,210,913
OHIO	2,920,600	7,734	-	2,912,866
OKLAHOMA	4,078,979	9,721	31,644	4,037,614
PENNSYLVANIA	11,188,745	116,054	3,174	11,069,517
RHODE ISLAND	6,164,210	707,392	-	5,456,818
S DAKOTA	32,584	1,648	-	30,936
TENNESSEE	6,605,868	2,188,667	117,854	4,299,347
TEXAS	6,656,275	209,810	3,853,810	2,592,655
UTAH	52,511,925	31,843,687	16,710,246	3,957,992
VERMONT	8,214,613	1,239,949	-	6,974,664
VIRGINIA	53,070	-16	-	53,086
WEST VIRGINIA	907,476	1,713	-	905,763
WISCONSIN	-	264	-	-264
WYOMING	185,960	139,551	-	46,409
PUERTO RICO	1,650,000	-	-	1,650,000
Total	227,700,254	53,442,185	28,217,892	146,040,177

NOTE: The Status of Funds table includes "Allowance, Total Obligations, Committed to Projects, and Available Funds less Commitments." The "Available Funds Less Commitment" column in the amount of $146 million are funds that have already been allocated to the States and dedicated to specific projects, and are only available to the States. These funds have not been obligated for various reasons (e.g., engineering studies, sponsors obtaining land rights, weather, getting permits, environmental studies). Funds are expected to be obligated within 3 to six months.

WATERSHED AND FLOOD PREVENTION PROGRAM

Mr. Kingston: Please provide a status report on the Watershed and Flood Prevention Program. Please include a list of authorized projects, estimated costs per project and funding provided by State and local sponsors.

Response: The Watershed Protection and Flood Prevention Act of 1954 provides for cooperation between the Federal government, the States and their political subdivisions in a program to prevent erosion, floodwater, and sediment damages; to further the conservation, development, utilization, and disposal of water; and to further the conservation and proper utilization of land in authorized watersheds.

The Watershed Program uniquely complements other USDA programs by assisting public entities to install measures that benefit multiple land users or entire communities and address natural resource needs in entire watersheds.

Background Information

The Watershed Program is being utilized by communities to address a variety of needs, including:

- Flood damage mitigation using floodwater-retarding dams and similar structural measures, floodplain easements, and flood proofing of homes and businesses;
- Agricultural water supply (including water for rural communities);
- Water quality;
- Water conservation;
- Groundwater recharge;
- Public fish and wildlife habitat; and
- Public water-based recreation.

There are 1,790 authorized watershed projects, including 319 that are actively installing planned measures. No new funding has been provided for this program since FY 2010.

NRCS is providing, for the record, information on currently funded active projects including currently active construction and design projects. All efforts will be made to complete the projects that are in construction through the use of unobligated balances carried forward which is the only funding available for this program.

[The information follows:]

Watershed and Flood Prevention Program

Authorized Project	Congressional District	Estimated Cost per project	Funding provided by Sponsor	Program
Big Slough	01-AR	$24,525,751	$6,665,327	PL-566
Apache-Junc Gilbert Powerline	01-AZ, 06-AZ	16,101,987	7,180,000	PL-566
Alameda	10-CA, 11-CA	2,674,000	-	PL-566
Dry Creek	04-CA	500,000	-	PL-566
Central Sonoma Colgan Creek	01-CA, 06-CA	19,025,415	1,404,000	PL-566
Lahaina Watershed	02-HI	2,421,000	-	PL-566
Lower Hamakua Ditch Watershed	02-HI	10,592,000	5,296,000	PL-566
Waliluka Alenaio Watershed	02-HI	1,257,000	-	PL-566
Upcountry Maui Watershed	02-HI	9,223,000	4,611,500	PL-566
Soap Creek	02-IA; 03-IA	10,978,188	2,417,000	PL-566
Little Sioux - Big Coon Creek	05-IA	826,290	34,761	PL-534
Dupage County	06-IL, 14	1,000,000	-	PL-566
North Black Vermillion	01-KS; 02-KS	13,387,906	1,806,000	PL-566
Spring Brook	08-MN	1,470,000	-	PL-566
Little Otter Creek	06-MO	7,050,000	-	PL-566
East Locust CK	06-MO	6,949,100	969,500	PL-566
Buck and Duck Creeks	01-NE	1,494,295	-	PL-566
Medicine 80-A	03-NE	3,709,277	706,000	PL-566
Indian Creek	09-PA; 12-PA; 18-PA	4,166,000	2,129,000	PL-566
Neshaminy Creek	08-PA; 13-PA	75,950,000	46,650,000	PL-566
Tulpehocken Creek	06-PA; 16-PA; 17-PA	9,535,000	2,246,000	PL-566

Authorized Project	Congressional District	Estimated Cost per project	Funding provided by Sponsor	Program
Pocasset River Watershed Study	02-RI	2,380,000	-	PL-566
Attoyac Bayou	01-TX	15,102,894	4,659,000	PL-566
Elm Creek (1250) site 1A Rev.	TX-17,31	8,799,208	635,000	PL-566
Big Creek (Tri County) sites 16,17,18	TX-17,31	4,738,801	49,000	PL-566
Trinity - Elm Fork	13-TX	6,707,958	2,455,358	PL-534
Dunloup Creek	03-WV	12,525,000	-	PL-566
Upper Deckers Creek	01-WV	1,944,050	283,131	PL-566
Potomac - Lost River	02-WV	37,485,800	3,643,700	PL-534
Totals		312,519,920	93,840,277	

WATERSHED REHABILITATION

Mr. Kingston: Please provide a status report on the Watershed Rehabilitation program, include a list of proposed projects and estimated costs per project.

Response: All projects eligible for NRCS funding (i.e., proposed or authorized), must meet the policy criteria set forth in the National Watershed Manual and then are authorized for funding.

Local communities have constructed more than 11,700 watershed dams with assistance from NRCS since 1948. These dams protect America's communities and natural resources with flood control but many also provide the primary source of drinking water, as well as recreation and wildlife areas. These projects have become an integral part of the communities they were designed to protect. Like highways, utilities, and other public infrastructure, these dams need to be maintained to protect public health and safety and to meet changing resource needs. The maintenance, repair and operation of the dams are the responsibility of local project sponsors.

Some communities with watershed dams are now more vulnerable to flooding because many of the dams have reached or will soon reach the end of their 50-year design life span. In 2011, 2,317 watershed dams reached the end of their designed life span. By 2015, this number will exceed 4,480. Time has taken its toll on many of the dams: spillway pipes have deteriorated and reservoirs have filled with sediment. More significantly, subdivisions and businesses have been built in areas that were once agricultural land that the dams protected from flooding. As a consequence, if a dam should fail, a serious threat is posed to the health and safety of those living downstream, and to the communities that depend on the reservoir for drinking water. A dam failure could create serious adverse environmental impacts to the ecosystem. Information for projects is provided in the table below.

[The information follows:]

Watershed Rehabilitation Projects

Projects	Congressional District	Estimated Cost per project
Big Creek 6 (Craighead)	AR-01	$583,000
Muddy Fork Of Illinois River 3	AR-03	1,840,200
Muddy Fork Of Illinois River 4	AR-03	2,440,600
Poteau River	AR-04	463,600
West Fork Point Remove Creek	AR-02	1,119,300
Magma	AZ-06	13,973,900
Apache Junction-Gilbert/Williams-Chandler	AZ-06	15,384,615
Buckeye	AZ-02	17,437,900
Fredonia	AZ-01	5,544,300
White Tank Mountains	AZ-02	18,076,100
Franktown-Parker Tributaries Of Cherry C	CO-06	346,000
Boxelder Creek	CO-04	9,231,000
Dry Creek Dam	CO-05	1,538,000
Sallacoa Creek Area	GA-09	3,298,000
Little Sandy Creek 1	GA-10	3,298,000
Yellow River-Marbury 22	GA-07	2,981,260
Yellow River Sandy Creek 15	GA-10	1,529,564
Yellow River Sandy Creek 23	GA-10	896,250
Yellow River South River 4	GA-10	1,100,000
Haynes Creek-Brushy Fork Creek	GA-07	2,831,390
Spring Creek (Reno)	KS-04	1,151,000
Lower Wakarusa	KS-02	2,875,000
Switzler Creek	KS-02	724,673
Fox Creek 6	KY-04	3,077,000
Su-As-Co 303	MA-03	2,423,000
Su-As-Co 304	MA-03	1,846,000
Su-As-Co 309	MA-05	3,077,000
Su-As-Co 310	MA-03	4,462,000
Su-As-Co 311	MA-05	2,827,000

Projects	Congressional District	Estimated Cost per project
South Fork Of Blackwater River B-19	MO-04	769,000
South Fork Of Blackwater River E-24	MO-04	769,000
Chiwapa Creek 65	MS-01	950,000
Town Creek 65	MS-01	1,200,000
Richland Creek 2A	MS-03	1,538,000
Richland Creek 3	MS-03	1,538,000
2nd Creek Ph -2	MS-03	1,928,100
Upper Turtle River	ND-00	1,538,000
Tongue River	ND-00	8,538,000
Mud Creek	NE-01	3,142,300
Wilson Creek	NE-01	722,800
Little Indian Ck 15A	NE-01	869,000
Upper Big Nemaha 25C	NE-01	945,000
Up. Salt & Swedeburg 3A	NE-01	1,954,000
Up. Salt & Swedeburg 19B	NE-01	483,700
Santa Cruz River 1	NM-03	3,000,000
Upper Gila Valley Arroyos 6	NM-02	1,231,000
Hatch Valley Arroyos 6	NM-02	769,000
Hackberry Draw 2	NM-02	308,000
Conewango Creek	NY-27	1,154,000
Ischua Creek	NY-29	923,000
Nanticoke Creek	NY-20	3,077,000
Little Choconut; Finch Hollow; & Trout B	NY-24	1,538,000
Upper Hocking River 9	OH-07	663,800
Scraper Holler	OK-02	1,231,000
Little Deep Fork Creek	OK-03	1,538,000
Bear;Fall & Coon Creeks	OK-03	1,846,000
Fourche Maline Creek 7M	OK-02	2,308,000
Upper Black Bear Creek 62	OK-03	3,077,000
Sallisaw Creek 32	OK-02	4,500,000
Sallisaw Creek 33	OK-02	500,000
Sallisaw Creek 34	OK-02	350,000
Sallisaw Creek 30	OK-02	2,300,000
Sallisaw Creek 28	OK-02	6,200,000
Cottonwood Creek 16	OK-03	2,600,000
Quapaw Creek 15M	OK-03	5,000,000
Okfuskee Tributaries	OK-02	1,154,000

Projects	Congressional District	Estimated Cost per project
Washita - Barnitz Creek 1	OK-03	1,900,000
Washita - Barnitz Creek 5	OK-03	1,400,000
Washita - Barnitz Creek 11	OK-03	1,200,000
Washita - Cobb Creek (Fast Runner) 10	OK-03	250,000
Washita - Fort Cobb Laterals	OK-03	231,000
Brandywine Creek Beaver Creek PA 433	PA-06	2,308,000
Brandywine Creek Hybernia PA 436-F	PA-06	2,500,000
Conneatville Dam PA RC&D 112	PA-03	1,538,000
Pine Creek	TN-01	1,154,000
Pine Creek	TN-01	1,154,000
Mary's & Dand Creeks	TN-07	923,000
Lower Brushy Creek 20	TX-31	1,154,000
Olmitos & Garcias Creeks 7	TX-28	3,283,000
Plum Creek 5	TX-25	472,344
Plum Creek 6	TX-25	3,975,500
Trinity - Mountain Creek 10	TX-06	4,164,300
Trinity - East Fork Above Lavon 4	TX-04	5,320,000
Upper Brushy Creek 7	TX-31	3,066,800
American Fork-Dry Creek Silver Lake	UT-03	3,846,000
American Fork-Dry Creek Tibble	UT-03	6,154,000
Ferron - Mill Site	UT-02	4,615,000
Warner Draw Gypsum	UT-02	2,692,000
Warner Draw Snookie	UT-02	1,538,000
Potomac - South River 10A	VA-06	4,923,000
Potomac - Upper North River 10	VA-06	5,406,000
Pohick Creek 8	VA-11	3,385,000
Coon Creek	WI-03	3,077,000
West Fork Kickapoo	WI-03	2,308,000
West Fork Kickapoo	WI-03	3,077,000
Upper Deckers Creek 1	WV-01	9,547,000
Salem Fork of Ten Mile Creek 11A	WV-01	2,318,000
North Fork Powder River 1	WY-00	6,154,000

RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM

Mr. Kingston: Please describe how NRCS managed the termination of the Resource Conservation and Development (RC&D) Program.

Response: NRCS managed the termination of the RC&D program according to U.S. Government rules and regulations. The FY 2011 Appropriations Act eliminated the funding in April 2011, which required NRCS to immediately end implementation of the RC&D program and support to the 375 RC&D Councils.

All RC&D Councils were notified by April 14, 2011, that NRCS was required to stop work on all contracts and agreements with RC&D Councils that were funded with RC&D appropriated funds. All costs incurred by a Council up to April 14, 2011, were honored. All agreements funded with RC&D Program funds were dissolved in accordance with the termination terms of the individual agreement. All office space, vehicles, and equipment funded through RC&D appropriated dollars were either closed, disposed of, or are now used for other NRCS funded activities.

On Monday, April 18, 2011, all Federal RC&D employees were assigned duties related to Farm Bill or other funded activities until they either participated in the early retirement or buy out options offered by NRCS or were placed in permanent positions elsewhere in the agency/Department. As of March 2, 2012, all but five, who have pending job offers, have been placed in other positions.

LANDSCAPE-SCALE CONSERVATION INITIATIVES

Mr. Kingston: Please provide a list of all NRCS special initiatives, such as the Migratory Bird Habitat Initiative. Please include funding allocation by program and by State.

Response: In order to address critical, regionally important conservation needs, NRCS established nine landscape-scale initiatives with local, state and national partners to support voluntary conservation on private lands in FY 2010. There are currently 15 approved landscape conservation initiatives underway in FY 2012. These initiatives are: Sage Grouse; Longleaf Pine; Bay Delta; Lesser Prairie Chicken; Mississippi River Basin Healthy Watersheds; Great Lakes Restoration; Chesapeake Bay Watershed; Illinois River & Eucha-Spavinaw Lakes Watershed; New England/New York Forestry; Migratory Bird Habitat; North Central Wetlands Conservation; Red River Basin; Ogallala Aquifer; West Maui Coral Reef; and Gulf of Mexico initiatives.

The Great Lakes Restoration Initiative is funded through a reimbursable agreement with the Environmental Protection Agency (EPA); and the Chesapeake Bay Watershed Initiative was Congressionally mandated in the 2008 Farm Bill. Dedicated funding was appropriated for these initiatives and participating States may provide additional funding.

Besides the two initiatives with dedicated funding described above, of the remaining 13, seven initiatives funded in FY 2010 received a total of $101 million in financial assistance. Funding was provided through the Environmental Quality Incentives Program (EQIP), Wildlife Habitat Incentives Program (WHIP), Wetlands Reserve Program (WRP), Conservation Innovation Grants (CIG), Cooperative Conservation Partnership Initiative (CCPI), Agricultural Water Enhancement Program (AWEP), and the Wetlands Reserve Enhancement Program (WREP).

In FY 2011, approximately $324 million in financial assistance was obligated through the approved initiatives, $244 million to initiatives outside of the Great Lakes Restoration Initiative and Chesapeake Bay Watershed Initiative.

To date in FY 2012, approximately $212.9 million in financial assistance was allocated to initiatives, $169.6 million to initiatives outside of the Chesapeake Bay Watershed Initiative. FY 2012 funds have not yet been allocated to the Great Lakes Restoration Initiative.

Financial assistance funding by initiative, program, and State are submitted for the record in the accompanying table. Summaries of each initiative are included below.

[The information follows:]

The Sage Grouse Initiative (SGI) supports grazing land improvement and protection to maximize sage grouse habitat in the traditional range of the species. Participating States include: California, Colorado, Idaho, Montana, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming. Funding is provided through the EQIP, the Grasslands Reserve Program (GRP), the Farm and Ranchlands Protection Program (FRPP), and the WRP. A yet to be determined amount of Wildlife Habitat Incentive Program (WHIP) funding will be provided to address resource concerns related to Sage Grouse through the recently announced Working Lands for Wildlife project.

Sage Grouse Initiative
FY 2012 Allocation to Date

State	EQIP	FRPP	GRP	WRP
CA	$3,468,750	-	-	-
CO	83,557	-	-	-
ID	2,127,683	-	$3,472,693	-
MT	2,968,693	-	1,921,269	-
NV	960,634	-	960,634	$2,704,977
ND	760,283	-	-	-
OR	2,913,750	-	-	-
SD	587,505	-	-	-
UT	1,073,000	$406,250	-	-
WA	539,162	-	-	-
WY	4,609,221	6,093,750	5,283,489	-
Total	20,092,238	6,500,000	11,638,085	2,704,977

The Longleaf Pine Initiative (LPI) helps private landowners and land users improve the health of longleaf pine forest ecosystems in Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Texas, and Virginia. National funding has yet to be provided for LPI in FY 2012. A yet to be determined amount of Wildlife Habitat Incentive Program (WHIP) funding will be provided to address resource concerns related to Gopher Tortoise in the longleaf pine range through the recently announced Working Lands for Wildlife project.

The Bay Delta Initiative (BDI) addresses the critical water quality, water quantity, and habitat restoration needs of the Bay-Delta Central Valley watershed in California. An amount of $17,059,704 in funding is provided through the Wetlands Reserve Program and $15,000,000 through the Environmental Quality Incentives Program.

The Lesser Prairie Chicken Initiative (LPCI) seeks to restore native rangeland habitat for the lesser prairie chicken and other wildlife in Colorado, Kansas, New Mexico, Oklahoma, and Texas. Funding is provided through the Environmental Quality Incentives Program (EQIP). A yet to be determined amount of Wildlife Habitat Incentive Program (WHIP) funding will be provided to address resource concerns related to lesser prairie chicken through the recently announced Working Lands for Wildlife project.

Lesser Prairie Chicken Initiative
FY 2012 Allocation to Date

State	EQIP
CO	$296,000
KS	396,406
NM	1,156,250
OK	892,891
TX	231,250
Total	2,972,797

The Mississippi River Basin Healthy Watersheds Initiative (MRBI) targets resources and technical support to manage agricultural nutrients within fields, minimize runoff, and reduce nutrient loading in 54 priority watersheds in Arkansas, Kentucky, Illinois, Indiana, Iowa, Louisiana, Minnesota, Mississippi, Missouri, Ohio, South Dakota, Tennessee, and Wisconsin. The MRBI also helps to restore and enhance wetlands in agricultural settings and to improve wildlife habitat. Funding is provided through the Environmental Quality Incentives Program (EQIP), Wildlife Habitat Incentive Program (WHIP), Conservation Stewardship Program (CSP), Cooperative Conservation Partnership Initiative (CCPI), the Wetlands Reserve Enhancement Program (WREP), and the Conservation Innovation Grants Program (CIG).

Mississippi River Basin Healthy Watersheds Initiative
FY 2012 Allocation to Date

State	EQIP	WHIP	WREP	CSP-CCPI Acres*
AR	$12,000,000	$175,000	$3,150,000	17,500
IA	7,400,000	84,000	-	10,750
IL	330,000	16,000	-	7,500
IN	2,496,062	137,500	780,150	-
KY	1,330,201	-	4,080,000	-
LA	723,412	-	589,500	3,222
MN	1,970,034	32,435	7,400,000	8,333
MO	8,760,776	40,000	-	20,833
MS	7,040,000	-	3,300,000	-
OH	553,690	-	-	-
TN	672,030	-	-	-
WI	433,000	-	-	-
Total	43,709,205	484,935	19,299,650	68,138

Additional MRBI funds are awaiting allocation to targeted participants in FY 2012 through requests for proposals under an MRBI CCPI, an MRBI WREP, and MRBI CIG.

Unallocated

State	EQIP-CCPI	CIG	WREP	CSP-CCPI Acres*
Total	$8,091,000	$5,000,000	$25,000,000	70,000

*CSP is appropriated, apportioned and allocated by acres according to statute. Funding levels will be determined later.

The Great Lakes Restoration Initiative (GLRI) focuses on cleaning up the most-polluted areas in the Great Lakes, combating invasive species, protecting watersheds and shorelines from non-point source pollution, restoring wetlands and other habitats, and working with strategic partners on education, evaluation, and outreach in Illinois, Indiana, Michigan, Minnesota, New York, Ohio, Pennsylvania and Wisconsin. The initiative is funded through an interagency transfer from the Environmental Protection Agency. The interagency agreement for fiscal year 2012 has not yet been finalized, but NRCS anticipates receiving $24 million to provide as technical and financial assistance in the Great Lakes Basin. Of the $24 million, $10 million is currently prioritized for reducing phosphorus in three watersheds (Upper Duck Creek and Upper East River in Wisconsin; Swartz and Kearsley Creeks in Michigan; and Upper Blanchard in Ohio).

The Chesapeake Bay Watershed Initiative (CBWI) seeks to improve water quality and reduce sediments in the Chesapeake Bay Watershed. The initiative targets agricultural lands in priority watersheds in Delaware, New York, Maryland, Pennsylvania, Virginia, and West Virginia. Funding is appropriated separately, but was distributed under the authorities of the Environmental Quality Incentives Program (EQIP) (including the Conservation Innovation Grants Program (EQIP-CIG)), Wildlife Habitat Incentives Program (WHIP), Conservation Stewardship Program (CSP), Cooperative Conservation Partnership Initiative (CCPI), Agricultural Water Enhancement Program (AWEP), Farm and Ranch Lands Protection Program (FRPP, Grasslands Reserve Program (GRP), Agricultural Management Assistance Program (AMA), Conservation Reserve Program (CRP), and Healthy Forests Reserve Program (HRFP) in FY 2010. In FY 2011 and FY 2012, CBWI funding is provided only through the authorities of EQIP, WHIP, CSP and CCPI.

Chesapeake Bay Watershed Initiative
FY 2012 Allocation to Date

State	CBWI
DE	$1,657,325
MD	7,638,196
NY	2,478,008
PA	15,281,897
VA	12,538,246
WV	3,652,445
Total	43,246,117

Unallocated

	EQIP-CIG
Total	$8,091,000

The Illinois River Sub-Basin and the Eucha-Spavinaw Lake Watershed Initiative (IRWI) was added in FY 2011 to improve water quality while maintaining agricultural food and fiber production on private lands in northwestern Arkansas and northeastern Oklahoma. Funding is provided through the Environmental Quality Incentives Program (EQIP)

Illinois River/Eucha-Spavinaw Initiative
FY 2012 Allocation to Date

State	EQIP
AR	$3,403,775
OK	1,052,101
Total	4,455,876

The New England/New York Forestry Initiative (NE/NYFI) supports USDA's All Lands Policy to keep private forests as forests in order to maintain drinking water, rural economies and wildlife, and to mitigate and adapt to climate change. Participating States include: Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont. Funding has not yet been provided for this initiative. Approximately $2 million in Environmental Quality Incentives Program (EQIP) funding will be provided for NE/NYFI.

Additionally, a yet to be determined amount of Wildlife Habitat Incentive Program (WHIP) funding will be provided in the NE/NYFI area to address resource concerns related to New England cotton tail through the recently announced Working Lands for Wildlife project.

The Migratory Bird Habitat Initiative (MBHI) was established to increase habitat availability and safeguard food resources for shorebirds, waterfowl and other migratory birds in the Mississippi Basin. Initially, this initiative focused on habitat along the migratory flyways of the lower Mississippi and Atlantic Flyways. The Northern Plains MBHI (NP-MBHI) was announced late in FY 2011 and targets the Prairie Pothole Region (PPR), where hundreds of the migratory bird species in North America rely on for breeding and nesting, feeding, and resting during migrations. Participating States for NP-MBHI include: Iowa, Minnesota, Montana, Minnesota, Nebraska, North Dakota, and South Dakota. Funding is provided through the Environmental Quality Incentives Program (EQIP), Grasslands Reserve Program (GRP), and Wetlands Reserve Program (WRP).

Northern Plains Migratory Bird Habitat Initiative
FY 2012 Allocation to Date

State	EQIP	GRP	WRP
IA	$185,000	-	$2,704,978
ND	300,000	-	382,063
SD	659,592	$1,332,880	-
Total	1,144,592	1,332,880	3,087,041

The North Central Wetlands Conservation Initiative (NCWCI) was established to increase the technical capacity of States within the Prairie Pothole Region to make certified wetlands determinations. Participating states include: Iowa, Minnesota, North Dakota, and South Dakota. Initial funding in the amount of $3.75 million was provided through the Conservation Technical Assistance Program (CTAP) in FY 2011. No additional funding has been provided to date.

The Red River Basin Initiative (RRBI) was established to address flooding concerns in the Red River of the North Watershed Basin. The basin is a highly productive and predominately cropland basin. Since 1993 the Red River Basin area has experienced repeated large scale flood events. The RRBI is part of a strategy to reduce peak flows on the Red River of the North and its main tributaries; especially during spring flood events.

Participating states include: Minnesota, North Dakota, and South Dakota. Funding is provided through the Wetlands Reserve Program (WRP).

Red River Basin Initiative
FY 2012 Allocation to Date

State	WRP
MN	$5,274,707
ND	3,640,344
SD	$935,936
Total	9,850,987

The Ogallala Aquifer Initiative (OAI) is designed to reduce the quantity of water removed from the aquifer and to improve water quality using conservation practices on cropland and rangeland.

Participating States include: Colorado, Kansas, Nebraska, New Mexico, Oklahoma, South Dakota, Texas and Wyoming. Funding is provided through the Environmental Quality Incentives Program (EQIP).

Ogallala Aquifer Initiative
FY 2012 Allocation to Date

State	EQIP
CO	$1,850,000
KS	2,000,000
NE	3,612,216
NM	1,700,000
OK	350,814
SD	185,297
TX	4,000,000
WY	462,500
Total	14,160,827

The West Maui Coral Reef Initiative is designed to control land-based pollution threats to coral reefs in the Ka'anapali-Kahekili watershed of Hawaii in partnership with federal members of the U.S. Coral Reef Task Force. The primary threats to this watershed include sediment deposition, nutrients, and other pollutants which are transported in surface water runoff and groundwater seepage into coastal waters. Funding has not yet been provided for this initiative.

The Gulf of Mexico Initiative (GoMI) was launched to address water quality and wildlife habitat concerns along the Gulf Coast of the United States. This action was developed in response to the Deepwater Horizon oil spill and to help restore the waters, shores and wildlife populations along the Gulf Coast. This initiative is designed to help producers in sixteen priority watersheds in seven major river basins in five States; including Alabama, Florida, Louisiana, Mississippi, and Texas. Funding is provided ($50 million over three years) through the Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), Farm and Ranch Lands Protection Program (FRPP), Grasslands Reserve Program (GRP), and Wetlands Reserve Program (WRP).

Gulf of Mexico Initiative
FY 2012 Allocation to Date

State	EQIP
AL	$650,000
FL	1,500,000
MS	200,000
LA	750,000
TX	250,000
Total	3,350,000

Gulf of Mexico Initiative
FY 2012 Unallocated to Date

State	EQIP	WRP	GRP	FRPP	CSP
Total	$650,000	$10,800,000	$2,600,000	$1,800,000	$400,000

GRAZING LANDS FUNDING

Mr. Kingston: Please provide a table showing funding provided to grazing lands issues for fiscal years 2011 (actual) and 2012 (estimated).

Response: Of the funds provided through EQIP, approximately 60 percent are used for livestock related conservation practices. The number below is comprised of grazing related conservation practices. Funding levels shown are not including financial assistance dollars associated with Waste Management Systems.

[The information follows:]

Grazing Lands

Programs	FY 2011	FY 2012*
AMA	$1,104,957	$1,284,274
AWEP	3,230,267	2,795,979
CBWI	7,878,042	6,084,095
EQIP	197,097,587	190,937,544
WHIP	17,330,046	16,645,868
CSP	37,979,063	35,937,967
GRP	7,542,864	7,703,274
TOTAL	272,162,826	261,389,001

*Average of FY 2010 and FY 2011, to project FY 2012 obligations.

GRAZING LANDS

Mr. Kingston: How many NRCS employees were dedicated to grazing lands issues in fiscal years 2011 through 2012?

Response: The first table below represents the total number of staff providing grazing land technical assistance, including soil conservationists, resource conservationists, and others at the State level and below. The second table is a breakout of grazing land specialists: range conservationists, forage agronomists, and grassland specialists.

[The information follows:]

Grazing Lands Technical Assistance Staff*

Fiscal Year	Staff
2011	1,029
2012 est.	1,029

*Staff members utilizing at least 50 percent of their time to provide technical assistance on grazing land.

Grazing Lands Staff Specialists

Fiscal Year	Range Conservationists	Forage Agronomists	Grassland Specialists	Total
2011	298	17	51	366
2012 est.	298	17	51	366

CONSERVATION COMPLIANCE

Mr. Kingston: How much did NRCS spend on wetlands determinations and conservation compliance in fiscal years 2008 through 2012?

Response: NRCS conducts Food Security Act status compliance reviews each year on a randomly identified sample of cropland tracts. Tracts owned by USDA employees are added to the list of those to be reviewed.

Compliance reviews are conducted on a yearly basis with a national sample of farm tracts provided to the States. The national sample of farm tracts is derived from records kept by the Farm Service Agency in a Kansas City mainframe computer. The sample size is approximately one percent of the farm tracts that received a farm payment in the past year and contain cropland. The tracts are provided to the States on January 1, and they can conduct the compliance review at any time during the year. The compliance review determinations must be available to National Headquarters by December 1.

Time spent conducting the compliance reviews does not represent the entirety of NRCS costs associated with wetland and highly erodible land determinations. Additional costs include managing and maintaining the software application, developing and updating policy, and providing training and oversight for reviews. However, NRCS does not track activities and costs at this additional level of detail.

The following table summarizes the total hours spent each year completing conservation compliance on selected cropland tracts. The reviews for fiscal year 2012 have not been completed to date.

[The information follows:]

Time Spent Conducting Compliance Reviews
(All Types)

	2008	2009	2010	2011[1/]
Hours	63,048	54,090	50,610	59,689
Cost	$3,864,842	$3,315,717	$3,102,393	$3,902,467

[1/] Cost figure is updated based on fiscal year 2011 cost estimates and assumes $65.38 hourly rate based on the following: Average hourly salary for GS-11 step 5 (source: OPM general schedule tables for Rest of U.S.) plus estimate for benefits and non-salary support.

TECHNICAL SERVICE PROVIDERS (TSP)

Mr. Kingston: How many Technical Service Providers (TSP) are registered with NRCS? How much funding is associated with TSPs?

Response: As of March 7, 2012, the NRCS has 1,783 certified TSPs registered in TechReg, the NRCS electronic TSP registry. Producers are able to obtain technical services directly from these registered TSPs. Overall, TSPs provide NRCS with a highly flexible means of expanding the availability of technical services to its conservation program participants. In addition to the TSPs available through TechReg, NRCS also enters into acquisition contracts and cooperative agreements with qualified TSPs to assist program participants with their technical service needs. TSPs who work directly with NRCS are not required to be registered in TechReg, but must meet professional qualifications for the services provided. NRCS estimates that approximately $69 million was associated with TSP-provided services to NRCS conservation program participants in fiscal year 2011. This represents an increase of $49 million over the baseline goal of $20 million. Due to the nature of the services provided through TSP activities, increases over the established baseline can occur because they are driven by local conservation efforts and producer needs. There has been no goal established for obligations in fiscal year 2012.

PARTNERSHIP, COOPERATIVE OR OTHER AGREEMENTS

Mr. Kingston: How many partnership, cooperative or other agreements has NRCS entered into in fiscal years 2010, 2011 and 2012? How many are with States, local units of Government and private or nonprofit organizations?

Response: NRCS entered into 2,505 cooperative agreements in fiscal years 2010, 2011, and 2012. These include a sub-set of contribution agreements (also referred to as partnership agreements). The breakdown by fiscal year is: 1,153 in FY 2010; 1,223 in FY 2011; and 129 in FY 2012.

[The information follows:]

	States	Local Gov't	Non profits	Private	Total
FY 2010	311	394	320	7	1,032
FY 2011	369	383	347	29	1,128
FY 2012	34	54	28	9	125
Total	714	831	695	45	2,285

The remaining 220 cooperative agreements were with 211 universities and nine Tribal governments.

Mr. Kingston: How much funding is associated with these agreements? Please provide information on both mandatory and discretionary funding.

Response: The total funding associated with these agreements is $426,810,732.

[The information follows:]

	Discretionary	Mandatory
FY 2010	$117,108,509	$116,291,151
FY 2011	38,991,334	93,794,131
FY 2012	18,395,416	42,230,191
Total	174,495,259	252,315,473

Mr. Kingston: Did NRCS transfer funding and the authority to distribute that funding to any cooperating entity? If so, please list the partner, amount and year the funding was transferred.

Response: NRCS entered into the following agreements where funding and the authority to distribute those funds were transferred to the partner entity.

[The information follows:]

Partner	Amount	FY Transferred
Society for the Protection of NH Forests (SPNHF)	$267,900	2011 & 2012
Society for the Protection of NH Forests (SPNHF)	29,611	2011(no funds transferred to date)
Vermont Agency of Agriculture	70,000	2011(no funds transferred to date)
Springbrook: Two Rivers Watershed District	468,641	2011
National Fish and Wildlife Foundation	10,000,000	2011(no funds transferred to date)
Total	10,836,152	

Mr. Kingston: What management systems does NRCS have in place to ensure partnership agreements fulfill their objectives and funding is appropriately and effectively utilized?

Response: NRCS ensures partnership agreements fulfill their objectives and funding is appropriately and effectively utilized by manually monitoring the agreements. Recipients are required to submit financial reports quarterly and progress reports detailing accomplishments biannually.

NATIONAL FISH & WILDLIFE FOUNDATION PARTNERSHIP

Mr. Kingston: NRCS recently announced a $10 million partnership agreement with the National Fish and Wildlife Federation. Please provide a detailed explanation of the agreement, including goals, funding made available, sources of funding, accountability of funds, use of funds, and management plans.

Response: The Conservation Partners Program was created under a contribution agreement signed between NRCS and the National Fish and Wildlife Foundation (NFWF) on September 29, 2011. Under the agreement, the parties will collaborate to maximize conservation outcomes by enabling NRCS to increase capacity to provide conservation technical assistance to accelerate implementation of NRCS's national conservation initiatives and to Conservation Reserve Program (CRP) participants in high CRP sign-up and high workload areas.

The program is offered through competitive grants to non-Federal organizations with priority funding directed at proposals that target species and ecosystems of shared interest between NFWF and NRCS. Grant awardees will hire local conservation professionals to provide technical assistance. These professionals will work side-by-side with NRCS staff in its State and field offices to provide timely and effective service to its customers.

The first funding round prioritizes the Northeast Forests, Upper Mississippi River Basin, Gulf Coast and Prairie Pothole regions. A second round of funding will focus on the Lesser Prairie Chicken, the Bay Delta and other priority habitat areas. The Conservation Partners effort is also helping to accelerate conservation initiatives in the Chesapeake Bay, the Great Lakes and Long Leaf Pine habitats.

For each grant proposal, NFWF will obtain grant proposal reviews and letters verifying involvement and support of projects from the appropriate NRCS State Conservationists.

An Advisory Team will be created to provide input into the grant review and selection process. The Advisory Team will consist of no fewer than two representatives chosen by the Chief of NRCS and no fewer than two representatives chosen by the Executive Director of NFWF. NFWF will provide a slate of projects for review to the Advisory Committee. An Advisory Committee will review the recommendations of the Advisory Team and make final recommendations for the NRCS Chief and NFWF Board of Directors.

Proposals will be reviewed to ensure all proposed budgets contain allowable costs and are otherwise consistent with appropriate Office of Management and Budget (OMB) guidelines, NRCS administrative requirements, and NFWF policies. Any sub-award agreement must meet the same NRCS administrative requirements as the original award.

The agreement is funded with $5 million from Conservation Technical Assistance (CTA) and $5 million from CRP technical assistance. The two funding sources will be tracked separately. NFWF will match NRCS funds one-to-one, at a minimum, with non-Federal funds. Reporting requirements will be identified prior to grants being made.

As a result of the matching funds, NRCS was able to reduce the fiscal year 2012 CRP technical assistance apportionment request by more than $10 million. The $5 million of CRP funds in this agreement, if exclusively used for conservation planning, are projected to result in more than 6,400 conservation plans. The $10 million total from the one-to-one match is estimated to double that number to approximately 12,800 conservation plans.

NFWF will submit a programmatic report biannually to NRCS within 30 days of the end of a fiscal year until all funds are expended. The report will include summary information (such as the number of customers served, conservation activities performed, jobs created, and estimated or observed environmental outcomes generated), for all approved projects, as well as an update on their status. NFWF will submit quarterly financial reports to NRCS within 30 days of the end of the quarter.

NRCS will disburse funds on a reimbursable basis upon completion of work outlined in the agreement. NRCS and NFWF will monitor progress of all projects selected for funding to ensure they successfully meet their stated objectives. NFWF will also fund an evaluation of the Conservation Partners Program through a third party evaluator.

PERSONNEL

Mr. Kingston: Please provide a table showing the number of NRCS personnel assigned to headquarters, States, national centers, and any other offices.

Response: Listed below is a table showing NRCS personnel assigned to National Headquarters (NHQ), States, national centers and other offices. The numbers below reflect all active employees to include permanent full time and part time. This data is as of February 25, 2012, from the National Finance Center reporting system.

[The information follows:]

NRCS Personnel Assigned to Various Locations

Location	Number	Percent
State/Field Offices	10,111	91
NHQ*	726	7
National Centers and Other	245	2
Total	11,082	100

*NHQ includes: National Employee Development Center Business Management Leadership Program and Information Technology Center

NATIONAL CENTERS

Mr. Kingston: Please provide a list of the national centers, including location, funding and staff levels associated with each center for fiscal years 2008 through 2012 and anticipated for fiscal year 2013.

Response: The information is submitted for the record.

[The information follows:]

National Centers

National Center Name	Location	Funding[/1] (Dollars in Thousands)						Staff Levels[/2]					
		FY08	FY09	FY10	FY11	FY12	FY13	FY08	FY09	FY10	FY11	FY12	FY13
National Employee Development Center	Fort Worth, Texas	$2,870	$3,149	$5,342	$6,672	$5,402	$5,402	17	17	20	22	39	39
National Information Technology Center	Fort Collins, Colorado	7,373	15,353	26,991	25,546	9,486	9,486	42	36	33	40	81	81
National Geospatial Management Center	Fort Worth, Texas	7,632	8,421	11,584	6,563	6,118	6,118	69	59	56	49	52	52
National Soil Survey Center[/3]	Lincoln, Nebraska	8,232	7,607	11,406	11,987	9,948	9,948	61	61	69	78	92	92
National Water and Climate Center	Portland, Oregon	3,559	2,573	2,774	2,789	2,585	2,585	18	19	19	18	19	19
Agricultural Wildlife Conservation Center[/4]	Madison, Mississippi	1,635	1,458	2,193	360	-	-	4	5	5	5	-	-
National Design, Construction Soil Mechanics Center	Fort Worth, Texas	3,059	2,799	3,276	3,138	3,140	3,140	20	20	18	19	21	21
National Soil Mechanics Center	Lincoln, Nebraska	1,485	1,459	1,459	1,599	1,667	1,667	17	16	15	17	17	17
National Water Management Center	Little Rock, Arkansas	2,110	2,062	1,830	1,825	1,925	1,925	15	15	12	13	14	14
National Plant Data Center[/5]	Baton Rouge, Louisiana	1,127	812	267	-	-	-	5	5	2	-	-	-
National Geospatial Development Center[/6]	Morgantown, West VA	2,902	1,987	188	-	-	-	7	7	1	-	-	-
Wildlife Habitat Management Center[/7]	Fort Worth, Texas	334	-	-	-	-	-	2	-	-	-	-	-

National Center Name	Location	Funding[1] (Dollars in Thousands)						Staff Levels[2]					
		FY08	FY09	FY10	FY11	FY12	FY13	FY08	FY09	FY10	FY11	FY12	FY13
East Remote Sensing Laboratory	Greensboro, North Carolina	8,302	1,248	1,736	2,392	2,639	2,639	8	8	24	38	38	38
Central Remote Sensing Laboratory	Fort Worth, Texas	1,357	1,466	2,602	3,378	3,521	3,521	14	14	34	50	49	49
West Remote Sensing Laboratory	Portland, Oregon	727	6,684	1,280	1,703	1,924	1,924	5	6	16	25	25	25
National Centers Servicing Unit	Fort Worth, Texas	2,653	2,932	2,968	2,958	2,538	2,538	25	25	23	24	25	25
National Technology Support Center – West	Portland, Oregon	6,084	6,007	5,921	6,075	6,040	6,040	39	37	38	39	40	40
National Technology Support Center – Central[8]	Fort Worth, Texas	4,939	5,373	5,370	4,899	5,336	5,336	30	35	34	32	36	36
National Technology Support Center – East[9]	Greensboro, North Carolina	4,530	4,860	4,870	4,744	4,391	4,391	27	30	29	29	34	34

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[1]/ FY 2012 and FY 2013 funding is based on Initial Center Activities, and based on the assistance provided during the year, funding levels may fluctuate.

[2]/ Staffing levels include occupied positions and approved vacant positions anticipated to be filled before year-end.

[3]/ National Soil Survey Center includes funding and staff levels for the Geospatial Development Center in Morgantown, WV during FY 2011 and FY 2012; however, the employees are located in West Virginia.

[4]/ The AWCC was not fully funded in FY 2011. Amount was for expenses through March 18, 2011. The Center employees have been reassigned to headquarters.

[5]/ The National Plant Data Center merged into National Technology support Center – East beginning in FY 2010 with completion in FY 2011.

[6/] National Geospatial Development Center in Morgantown, WV is supported through the National Soil Survey Center includes funding and staff levels during FY 2011 and FY 2012. Employees are located in West Virginia.

[7/] The Wildlife Habitat Management Center merged into National Technology Support Center - Central beginning in FY 2008 with completion in FY 2009.

[8/] In FY 2008 through FY 2011, NRCS assigned one staff position, National Agroforester, from the Central National Technology Support Center (Lincoln, Nebraska) to the USDA National Agroforestry Center (NAC) (Lincoln, Nebraska.) The NAC facility is owned and operated by the USDA Forest Service, but the agroforestry technology transfer program is a partnership between NRCS and the Forest Service.

[9/] The East National Technology Support Center includes funding and staff levels for the National Plant Data Center for FY 2011; they were merged effective FY 2011.

NATIONAL TECHNOLOGY SUPPORT CENTERS

Mr. Kingston: Please provide a list of the national technology support centers, including their location, funding and staff levels associated with each center, for fiscal years 2008 through 2012 and anticipated for 2013.

Response: The information is submitted for the record.

[The information follows:]

National Technical Support Centers (NTSC)

NTSC Name	Location	Funding (Dollars in Thousands)						Staff Level					
		FY08	FY09	FY10	FY11	FY12	FY13	FY08	FY09	FY10	FY11	FY12[1]	FY13
West NTSC	Portland, Oregon	$6,084	$6,007	$5,921	$6,075	$6,040	$6,040	39.3	37.1	38.4	38.9	40.0	40.0
Central NTSC[2]	Ft. Worth, Texas	4,939	5,373	5,370	4,899	5,336	5,336	30.1	35.0	33.7	31.5	36.0	36.0
East NTSC[3]	Greensboro North Carolina	4,530	4,860	4,870	4,744	4,391	4,391	27.4	29.8	28.7	28.7	34.0	34.0

[1] Staffing level includes occupied positions and approved vacant positions anticipated to be filled before FY 2012 year-end.

[2] In FY 2008 through FY 2011, NRCS assigned one staff position, National Agroforester, from the Central National Technology Support Center (Lincoln, Nebraska) to the USDA National Agroforestry Center (NAC), (Lincoln, Nebraska). The NAC facility is owned and operated by the USDA Forest Service, but the agroforestry technology transfer program is a partnership between NRCS and the Forest Service. Funding and staff level for this position are included in the table.

[3] East NTSC includes funding and staff levels for the National Plant Data Center for FY 2011 which was merged with the East NTSC in FY 2011.

PLANT MATERIALS CENTERS

Mr. Kingston: Please provide a list of all Plant Materials Centers, including location, funding and staff levels for fiscal years 2008 through 2012 and anticipated for fiscal year 2013.

Response: Plant Materials Center (PMC) operating costs and staff levels (FTE) for fiscal years (FY) 2008 through FY 2011 are actuals, and FY 2012 and FY 2013 are estimates. Operating Costs include staff costs, normal operating expenses, equipment maintenance and replacement, and facility maintenance and upgrades.

[The information follows:]

Plant Material Centers Operating Costs and FTEs
FY 2008 - FY 2011 Actual, and FY 2012 - FY 2013 Estimate
(Dollars in Thousands)

	2008		2009		2010		2011		2012		2013	
PMC Location	Cost	FTE	Cost	FTE	Cost	FTE	Cost	FTE	Cost	FTE	Cost	FTE
Tucson, Arizona..............	$274	3	$349	2	$324	3	$599	4	$400	3	$380	3
Booneville, Arkansas.........	246	3	321	3	290	4	336	3	330	3	340	3
Lockeford, California........	318	3	390	4	430	3	514	3	400	3	360	3
Brooksville, Florida.........	290	3	389	4	363	5	448	5	336	3	340	3
Americus, Georgia............	271	3	391	3	316	3	360	3	295	3	320	3
Molokai, Hawaii..............	348	3	421	4	401	4	360	3	406	3	370	3
Aberdeen, Idaho..............	382	5	460	4	378	4	359	4	390	3	390	3
Manhattan, Kansas............	373	6	442	6	430	6	460	6	360	3	360	3
Golden Meadow, Louisiana......	280	5	357	5	360	4	356	4	310	3	320	3
Beltsville, Maryland.........	535	4	434	4	472	4	530	4	463	4	450	3
East Lansing, Michigan........	302	3	370	3	324	4	330	4	320	3	320	3
Coffeeville, Mississippi......	259	4	277	3	239	3	268	3	265	3	270	3
Elsberry, Missouri...........	302	4	329	4	359	4	400	4	300	3	340	3
Bridger, Montana.............	357	4	409	3	351	3	365	3	360	3	360	3
Fallon, Nevada...............	342	3	297	3	296	3	233	2	200	2	200	2
Cape May, New Jersey.........	278	3	328	4	308	3	410	3	365	3	365	3
Los Lunas, New Mexico.........	364	3	415	4	344	4	388	4	361	3	360	3
Big Flats, New York..........	318	3	390	5	342	4	368	4	325	3	340	3
Bismarck, North Dakota........	412	6	501	7	472	6	492	4	410	3	410	3
Corvallis, Oregon............	337	3	409	4	352	3	431	3	355	3	355	3
Texas (3 Centers)............	1,008	11	1,207	10	1,010	9	1,191	8	940	6	950	6
Pullman, Washington..........	297	4	360	3	319	4	293	4	320	3	330	3
Alderson, West Virginia.......	279	3	357	3	274	3	247	3	280	3	290	2
Other NRCS[1]	2,668	10	2,592	6	2,734	5	1,464	4	689	2	660	2
Sub-total, NRCS Locations.....	10,840	102	12,195	101	11,488	98	11,202	92	9,180	74	9,180	72
Operated by Cooperating Agencies or others with NRCS Assistance:												
Palmer, Alaska...............	262	na	95	na	54	na	81	na	50	na	50	na
Meeker, Colorado.............	233	na	242	na	210	na	231	na	170	na	170	na
Subtotal, Others.............	495	na	337	na	264	na	312	na	220	na	220	na
Total, Obligated or Estimated.	11,335	102	12,532	101	11,752	98	11,514	92	9,400	74	9,400	72

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[1] "Other NRCS" is funding used for agency operations, Congressional earmarks, or special plant materials activities.

INTERNATIONAL TRAVEL

Mr. Kingston: Did any NRCS employees travel internationally in fiscal years 2011 and 2012 to date? If so, please describe the purpose of the trip, the associated cost and destination.

Response: In FY 2011, NRCS had 79 employees complete temporary international assignments and nine to date for FY 2012. Information is provided in the following tables. FY 2011 travel to Afghanistan, Mexico, and Pakistan was reimbursed by the Foreign Agricultural Service. The employees that traveled to Morocco in FY 2012 went on government time, but at the employee's expense. Travel to Afghanistan, Haiti, Mexico, and Pakistan in FY 2011 was reimbursed by the U.S. Agency for International Development (US AID) via the Foreign Agricultural Service (FAS). One employee traveled to Australia, the Philippines, and Vietnam on one trip which was paid by North Carolina AT&T University, a partner of NRCS.

[The information follows:]

FY 2011

Country	Count	Cost	Purpose
Afghanistan*	2	-	Support US-Afghan-Pakistan Trilateral Initiative
Argentina	3	$13,886	Presented paper at international science meeting
Argentina	1	5,000	Worked with partners on projects in developing new technology
Australia**	1	-	Presented paper at international science meeting
Cambodia	1	300	Invited to make presentation at international science meeting
Canada	23	28,000	Worked with international partners on trans-border issues
Czech Republic	1	4,500	Presented paper at international science meeting
Germany	1	2,250	Presented paper at international science meeting
Haiti*	4	-	Reimbursable technical assistance
Italy	4	14,615	Presented paper at international science meeting
Kenya	2	14,753	Worked with partners on projects in developing new technology
Mexico	9	3,707	Presented paper at international science meeting
Mexico*	6	-	Worked with international partners on trans-border issues

Country	Count	Cost	Purpose
Micronesia	6	13,252	Supported Compact of Free Association with host country
New Zealand	1	5,425	Worked with partners on projects in developing new technology
Pakistan*	1	-	Supported US-Pakistan Initiative
Palau	4	9,315	Supported Compact of Free Association with host country
Peru	1	2,574	U. of Delaware leadership development program to provide emerging leaders with opportunity to develop leadership skills, facilitation skills, and understanding of public policy.
Philippines**	1	-	Invited to make presentation at international science meeting
Poland	2	2,500	Presented paper at international science meeting
Spain	2	11,182	Worked with partners on projects in developing new technology
United Kingdom	2	6,500	Presented paper at international science meeting
Vietnam**	1	-	Invited to make presentation at international science meeting
Totals	79	137,759	

*Travel paid by US AID through an agreement with FAS.

** Travel paid by NC AT&T.

FY 2012

Country	Count	Cost	Purpose
Canada	6	$4,240	Worked with international partners on trans-border issues
Mexico	1	1,776	Worked with international partners on trans-border issues
Morocco	1	-	Worked with partners on projects in developing new technology
New Zealand	1	5,580	Worked with partners on projects in developing new technology
Totals	9	11,596	

EMPLOYEES SERVING IN FOREIGN COUNTRIES

Mr. Kingston: How many NRCS employees are serving in foreign countries in fiscal year 2012? Please provide information on the purpose of the assignment, duration of the assignment and associated costs.

Response: NRCS has 12 employees serving in foreign countries. Ten employees are in Afghanistan supporting Operation Enduring Freedom. There are no costs to the agency for these employees as the associated expenses are paid by the Foreign Agricultural Service. The agency has one employee serving in Micronesia and one employee in Palau as part of the Compact of Free Association associated with each country. Total estimated support costs for the employees in Micronesia and Palau in FY 2012 is $357,300.

GIS ACTIVITIES

Mr. Kingston: How much funding was spent on GIS activities in fiscal years 2008 through 2012?

Response: The information is submitted for the record.

[The information follows:]

Contributions to the Digitizing of Soils Information and Development of Digital Orthophotography

Digitize Soils (Dollars in Millions)			Digital Orthophotography (Dollars in Millions)			
Year	NRCS	Other Federal & State Agencies	NRCS	USGS	FSA	Other Federal & State Agencies
2008	$9.80	$0.30	$0.50	$.20	$10.07	$3.50
2009	9.80	0.30	2.30	1.75	22.80	3.60
2010	9.80	0.30	2.40	1.90	23.90	2.50
2011	*9.80	0.30	1.90	1.90	10.50	3.50
2012 Est.	*9.80	0.30	1.70	1.90	10.60	2.60

*The Soil Survey Geographic (SSURGO) Database Initiative has two main components, the soil survey component and the ecological site component. In FY 2011 and FY 2012 the SSURGO Initiative funds were used toward both components.

INFORMATION TECHNOLOGY

Mr. Kingston: Please provide a summary, including information on personnel, hardware, software, applications, and telecommunications, of NRCS spending on information technology for fiscal years 2008 through 2012. What is anticipated for fiscal year 2013?

Response: NRCS expects to spend $190.68 million on Information Technology (IT) in fiscal year 2013. Of this amount, $8.23 million is for personnel, $36.29 million is for Hardware, $12.11 million is for Software, $1.83 million for other government IT services and $132.22 million in total for Support Services. Telecommunication and application expenditures are included in ITS Services and Other Support totals and cannot be broken out at this time. The table below itemizes IT services spending for fiscal years 2008 through fiscal year 2013.

[The information follows:]

Information Technology Spending
(Dollars in Millions)

	Actual FY 2008	Actual FY 2009	Actual FY 2010	Actual FY 2011	Estimated FY 2012	Estimated FY 2013
Personnel	$7.8	$7.7	$7.8	$8.4	$8.5	$8.2
Hardware	0.9	1.7	8.9	10.8	33.6	36.3
Software	0.9	0.9	5.1	7.7	9.7	12.1
Other Gov IT Services	28.1	24.8	37.2	3.6	6.0	1.8
Support Services Total*	87.4	93.1	96.0	144.3	152.5	132.2
Support Services	-	-	-	51.3	60.5	40.2
ITS Services	87.4	93.1	96.0	93.0	92.0	92.0
Total:	125.1	128.2	155.0	174.8	210.3	190.6

*Support Services Total is broken down into Support Services and ITS Services.

PERSONNEL ACTION/REORGANIZATION

Mr. Kingston: Does NRCS anticipate the use of any personnel action or reorganization in fiscal year 2012? Please describe the anticipated actions. Would any lead to a reduction-in-force?

Response: By September 30, 2012, NRCS will implement the Soil Survey office closures as identified through the Department's Blueprint for Stronger Service Initiative. These office closures will impact approximately 75 people and result in 24 office closures (18 soil survey offices and 6 Major Land Resource Area (MLRA) offices). NRCS does not anticipate a reduction-in-force. NRCS will use the approved Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payments (VSIP) to provide options to affected employees.

EMPLOYEE COUNTS

Mr. Kingston: How many NRCS employees are dedicated to communications? How many to human resources? How many to accounting and financial management? Please provide a breakdown by state and headquarters.

Response: As of February 11, 2012, NRCS has 530 employees dedicated to communications, human resources and accounting and financial management.

[The information follows:]

Employees in the Areas of Communications, Human Resources, and Accounting and Financial Management

Function	State/Field	National Headquarters	Total
Communications (1000 series)	89	17	106*
Human Resources (200 series)	122	79	201
Accounting and Financial Management (500 series)	166	57	223

*Does not include technical writers and editors dedicated to the Soil Survey program or Soil Science Offices.

CONSERVATION DELIVERY STREAMLINING INITIATIVE

Mr. Kingston: Please provide additional information on the Conservation Delivery Streamlining Initiative. What is the status of the initiative? What is the timeline for implementation? What efficiencies will be realized? How much will full implementation of the initiative cost? How much will it save?

Response: In FY 2010, NRCS initiated an Agency-wide effort called the Conservation Delivery Streamlining Initiative (CDSI). The Initiative's goal is to define and implement a more effective, efficient, and sustainable business model for delivering conservation technical and financial assistance. Three overarching objectives were identified:

1. Simplify Conservation Delivery - Conservation delivery must be easier for both customers and employees.
2. Streamline Business Processes - The new business model and processes must increase efficiency and be integrated across Agency business lines.
3. Ensure Science-based Assistance - The new business model must reinforce the continued delivery of science-based products and services.

CDSI is currently implementing five broad strategies under this effort. These include (1) redesigning NRCS's business processes, (2) aligning its information technology with these redesigned processes, (3) integrating science technologies to enhance the quality and effectiveness of NRCS programs, (4) simplifying and standardizing the delivery of financial assistance, and (5) providing ways for clients to work with NRCS that are more convenient and efficient.

The CDSI effort, which first received funding in FY 2010, is in its third year. During FY 2011 through FY 2012, NRCS has redesigned a number of its business processes, focused on conservation planning and financial assistance delivery. Pilots to evaluate new processes and technologies are underway.

In October 2012, NRCS will initiate the nationwide implementation of its Conservation Desktop technology. This first release will start to integrate the delivery of technical and financial assistance, introduce automated workflows for increased efficiency, and replace several existing inefficient, stove-piped tools. This release of the Conservation Desktop will also fully integrate science-based technologies to efficiently address grazing and erosion.

In early 2013, NRCS plans to release the first version of its new Client Gateway, a simple on-line portal for customers to apply for programs, check eligibility, view conservation plans and contracts, sign documents, request payments for practices applied, and much more. All these features will be available for NRCS customers 24 hours per day, seven days a week, without ever having to visit an NRCS office or make an appointment.

During 2013, NRCS plans to make enhancements to the Conservation Desktop and Client Gateway, and develop its Mobile Planner application. Mobile Planner will add much efficiency to NRCS's delivery, and allow NRCS to spend as much as 75 percent of their time in the field with clients, compared to the 20 percent to 40 percent often reported.

NRCS's customers will benefit from this effort by:

- Having to make fewer trips (if any) to the field office;
- Saving NRCS's program participants over 750,000 hours annually;
- Shortening the timeline between applying for a program and having a signed contract (target is two weeks or less when fully implemented);
- Speeding up practice installation;
- Ensuring rapid payments after a practice is applied; and
- Having access to on demand on-line service for many of the steps in conservation assistance.

NRCS will be more efficient and effective by:

- Reducing document handling and wasteful duplicate data entry;
- Reducing decision and approval times for plans and contracts;
- Increasing environmental benefits through higher quality plans;
- Improving access to best-available information and technology, and
- Aligning staff with the more efficient business processes.

In addition to the efficiencies described above, implementing CDSI nationwide will allow the Agency to redirect 1,200 to 1,500 staff years back to providing direct technical assistance to clients, returning a value of over $91 million each year.

The total estimated planning and development cost for the Streamlining Initiative is $99 million. Implementation is expected to ramp up in FY 2013 with the national implementation of the first CDSI tools and processes. Total an estimated $137.8 million through FY 2019. The total cost for the CDSI effort through FY 2019 was estimated at $236.8 million. This estimate was based upon FY 2009 projections. NRCS plans to provide new cost estimates in August 2012, which should account for savings realized through streamlined acquisitions and efficiencies gained after the original estimate was calculated.

Mr. Kingston: How much funding per year has been allocated to the Conservation Delivery Streamlining Initiative since it was initiated? How much more will be needed and for how many additional years?

Response: Allocations for CDSI were $7 million in FY 2010 and $14 million in FY 2011. The current estimate for FY 2012 is $10 million.

The total estimated planning and development cost for the Streamlining Initiative is $99 million. Implementation will ramp up in FY 2013 with the national implementation of the first CDSI tools and processes, and total an estimated $137.8 million through FY 2019. The total cost for the CDSI effort through FY 2019 was estimated at $236.8 million. This estimate was based upon FY 2009 projections. NRCS plans to provide new cost estimates in August of 2012, which should account for savings realized through streamlined acquisitions and efficiencies gained after the original estimate was calculated.

CONSERVATION EFFECTS ASSESSMENT PROJECT (CEAP)

Mr. Kingston: Please update the Committee on the Conservation Effects Assessment Project (CEAP). Please include a table that shows the amount of funding allocated to CEAP per year since it was initiated and how much will be expended in fiscal year 2012 and 2013.

Response: CEAP was established within USDA in FY 2003 to develop a scientific understanding and methodology for estimating the environmental effects of conservation practices on agricultural landscapes at national, regional, and watershed scales. Since its inception, CEAP has grown into a multi-agency, multi-resource effort. Its scope has expanded to encompass building the science and education base needed to enrich conservation planning, implementation, management decisions, and policies. CEAP has three main components; national assessments, watershed assessments, and literature reviews and bibliographies.

The annual CEAP budget for NRCS peaked at more than $8.3 million in FY 2004 and FY 2007 but since has dropped to around $5 million annually, about the same as initial-year funding (Table 1). The NRCS investment in CEAP, however, has leveraged more than $200 million in contributions from organizations, universities, State agencies, and other Federal agencies (Table 2). In all, more than 60 agencies and organizations are CEAP partners.

Table 1. NRCS CEAP expenditures, FY 2003 - FY 2013
(Dollars in Thousands)

Fiscal Year	Annual funding
2003	$5,396
2004	8,343
2005	8,000
2006	8,000
2007	8,345
2008	5,754
2009	5,000
2010	4,605
2011	5,105
2012 (est.)	5,000
2013 (est.)	5,000

Table 2. Leveraged Investments In CEAP, FY 2003 - FY 2013
(Dollars in Thousands)

Agency	Actuals FY 2003-FY 2011	Estimated FY 2012	10-yr. Total
USDA Agencies:			
NASS	$600	-	$600
ARS	167,882	$20,000	187,882
NIFA	9,675	-	9,675
FSA	770	100	870
USGS	6,490	1,000	7,490
Others	10,610	1,000	11,610
Total			218,127

Future CEAP resources will be used to gather data to expand our use of the Agricultural Policy Environmental Extender (APEX) field-level model to estimate conservation practice effects on wetlands, wildlife, and grazing lands. With this information, we will be able to more accurately model the complex agricultural landscape and include the variety of practices that occur on the land. We will refresh our practice information so we can better estimate the effects of conservation on the land and improve our ability to make informed, effective decisions. We also plan to support the modeling and estimation of conservation effects at smaller watershed scales to improve decision making for policies and programs.

CEAP data and analyses were used extensively in the forthcoming 2012 National Conservation Program (NCP), a requirement of the Soil and Water Resources Conservation Act. Cropland analyses for the NCP included development of a model that weighs alternative approaches for setting conservation priorities that can potentially maximize the benefits of our conservation investments. Also included in the NCP is an analysis of the potential impacts of converting marginal cropland to switch grass for bioenergy production and an analysis of the potential water-use efficiency gains available from upgrading existing irrigation systems to more efficient systems. For the NCP, the interagency CEAP rangeland team developed case studies that concentrated on key issues related to rangeland invasive plants such as juniper, exotic annual grasses, and leafy spurge. Hydrologic and erosion impacts were examined as well as the economics of control at various stages in the invasion process. Estimates of wind erosion and potential risks and conservation opportunities were also completed using National Resources Inventory (NRI) data.

NRCS and its partners in the Agricultural Research Service and Texas A&M University are preparing a series of reports on the effects of conservation practices on cropland that eventually will cover the 48 contiguous States. To date, four reports in this series have been released, on the Upper Mississippi River Basin (being reviewed in draft form), the Chesapeake Bay Region, the Great Lakes Region, and the Ohio-Tennessee River Basin. The fifth report, on the Missouri River Basin, is currently undergoing external peer review and should be ready for release this spring.

The reports are based on computer simulations of conditions as of 2003-2006 compared to conditions that would be expected if no conservation practices were in place. The simulations are based on data on farming and conservation practices in use during the period 2003 to 2006 collected through interviews with farmers utilizing a 32 page survey questionnaire and reviews of NRCS field office records. A subset of the NRI sample points provided the statistical basis for regional estimates. These studies not only provide estimates of the effects of conservation practices in place on the landscape, but also help us determine treatment needs on cropped acres and estimate potential further gains from additional conservation treatments. The estimation process is consistent in each study area to allow consistent comparison of findings across regions.

Findings in the studies completed to date are consistent: (1) The voluntary, incentives-based approach is achieving results. Farmers are being good land stewards on agricultural land, especially in controlling erosion but also in reducing nutrient losses from cropland. (2) Despite the gains, we have opportunities to make even more progress, especially in nutrient management. (3) Suites of practices are needed to avoid, control, and trap sediment and nutrients lost through overland flow and/or leaching. No single practice or single combination of practices will be equally effective everywhere. (4) Targeting the most critical acres delivers the greatest benefit for the conservation investment and the information from the CEAP analysis better informs our targeting decisions.

There are, however, regional differences. The most severe conservation treatment need on cultivated cropland in the Upper Mississippi River Basin, the Chesapeake Bay Region, and the Great Lakes Region is the loss of soluble nitrogen through leaching. The greatest need in the Ohio-Tennessee River Basin is the loss of phosphorus from cropland.

The next generation of CEAP studies on cropland will be conducted on a smaller scale to focus on regional/more localized priorities. A data collection effort on farming and conservation practices in use in the Chesapeake Bay Watershed has just been completed using twice as many sample points as were used during the 2003-2006 data collection effort. A report on the findings will be released early next year.

In addition, we have three potential new CEAP analyses planned: In the Great Lakes Region, a study of the Maumee River watershed; in Iowa, a study of the Boone River watershed; and in California, a study of the Bay Delta. All of these studies, based on fund availability to support them, will provide data on a much smaller scale than the current national assessment.

The CEAP-Cropland studies have provided additional benefits in the form of tools for decision support and direct assistance to landowners. The cropland modeling team, for example, has developed the optimization model described above. New tools developed as a result of CEAP modeling are being incorporated into the NRCS Conservation Delivery Streamlining Initiative to help field offices provide faster, better technical assistance to landowners.

Another tool, the CEAP Conservation Benefits Identifier (CCBI) geospatial data layer is an attempt to translate core CEAP-Cropland report findings related to nutrient management needs into actionable information for agency landscape planning and program delivery at the field level. The CEAP Soil Vulnerability Layer is a national geospatial layer that classifies soils in the CEAP reports from model runs using APEX, and allows vulnerable soils to be located across the landscape. The National Soil Vulnerability Layer has been used in several regional initiatives, including the Chesapeake Bay Watershed Initiative and the National Water Quality Initiative (NWQI).

USDA initiated a series of CEAP watershed studies to provide in-depth analysis and quantification of the measurable effects of conservation practices at the watershed scale, and to enhance our understanding of the effects of conservation in the biophysical setting of a watershed. There are 42 watershed studies in total: 17 Competitive Grants Watersheds supported by the National Institute of Food and Agriculture (NIFA), 14 Benchmark Watersheds conducted by the Agricultural Research Service, and 11 Special Emphasis Watersheds supported by the Natural Resources Conservation Service.

One of two synthesis reports on the NIFA -sponsored watershed assessment studies will be complete later this year. The synthesis study team, at North Carolina State University, anticipates publication of a book detailing their findings. The team will also publish numerous fact sheets and other papers to summarize findings. Outreach to translate the science into practice is planned for legislators, policy officials, conservationists, watershed groups, and producer groups.

Work on the ARS watershed studies continues with new priorities under the agency's 5-year action plan. ARS and NRCS are planning a number of publications that summarize findings from this work.

The wetlands studies were planned to evaluate the effects of wetland conservation practices and programs by quantifying ecosystem services that wetlands provide, such as water quality, flood control, and biodiversity. The effects of conservation practices on ecosystem services were measured with landscape-scale metrics such as changes in soil carbon sequestration and wildlife/amphibian biodiversity. Field data collection and analyses will develop, calibrate, and validate local and regional models that estimate the effects of program implementation and other environmental and economic factors such as land use and climate change on these ecosystem services.

Five regional assessments are ongoing or completed: (1) Prairie Pothole Region of the Northern Plains, (2) Mississippi Alluvial Valley, (3) High Plains, (4) California Central Valley/Upper Klamath River Basin, and (5) Mid-Atlantic Rolling Coastal Plain and Coastal Flats. Regional assessments have been completed for all of these regions except the Mid-Atlantic. Data collection and model development for the five regional assessments are focused on floodwater storage, habitat quality, biotic conservation and sustainability, erosion and sedimentation, nutrient fate and transport, carbon sequestration, and greenhouse gas emissions.

Three pilot studies will submit final project reports in 2012 for: (1) a study of a soil phosphorus condition index for prairie depression wetland catchments, (2) a small-scale study in the Ohio River Basin investigating the effects of wetlands established through the Wetlands Reserve Program in capturing nutrients and sediment, and (3) a small-scale study in the Southeast Coastal Plain developing geomorphic, vegetation, and conservation practice profiles for wetlands established through wetland restoration practices.

Information on the effects of conservation practices and programs on wetland ecosystem services from the High Plains and California Central Valley/Upper Klamath River Basin regional investigations was published in 2011. Findings for all of the regional assessments are being summarized for release later this year.

A CEAP-Wetlands multi-regional literature synthesis was published as a special issue of *Ecological Applications* in April 2011. The ten papers in the synthesis document the scientific literature summarizing the effects of conservation practices and programs on agricultural wetlands in different regions of the United States.

Since 2005, the CEAP-Wildlife Component has supported over 30 regional assessments of the effects of conservation practices and programs on various priority fish and wildlife species. These assessments, conducted in partnership with academic, nongovernmental organizations, and state and Federal agency science partners, have generated more than two dozen technical reports from which we have developed technical notes and guidance documents to help put findings into practice. These findings have documented how USDA programs and practices are benefiting species such as grassland and shrubland birds, native trout, migrating and wintering waterfowl and shorebirds, and other at-risk species while shedding valuable insight on how we can improve conservation practice standards and program delivery.

In recent years, CEAP-Wildlife has increased emphasis on supporting assessments that document target species' response to conservation practice implementation and that provide science support for effective program delivery of NRCS wildlife-oriented, landscape-scale special initiatives; CEAP is providing important science support for the NRCS Sage-Grouse Initiative, Lesser Prairie-Chicken Initiative, and the Golden-Winged Warbler and New England Cottontail aspects of the recently launched Working Lands for Wildlife project.

CEAP-Wildlife is also enhancing the biological aspects of other CEAP component models and products. Specifically, we are working with The Nature Conservancy, Agricultural Research Service, and university partners to link stream fish and macroinvertebrate sample data with CEAP-Cropland modeling tools, beginning with an intensive effort in the Western Lake Erie Basin. This effort will provide the means to integrate biological endpoints into soil and water quality modeling, and thus help us understand and target effective conservation practice implementation with biologically meaningful results. We are also incorporating biodiversity metrics into CEAP-Grazing Lands modeling efforts and to integrate findings from various completed and ongoing CEAP-Wildlife regional assessments into the Integrated Landscape Model under development by CEAP-Wetlands.

As we generate valuable products and insights for USDA use, we continue to share results with and solicit input from our partners in the fish and wildlife science and management communities. Through the International Association of Fish and Wildlife Agencies' CEAP Working Group, we are linking CEAP Wildlife findings with those of the monitoring components of State Wildlife Action Plans, and vice-versa.

A CEAP-Rangeland literature synthesis book and standalone Executive Summary were published in the fall of 2011. The CEAP literature synthesis is the most comprehensive collection of information on rangeland management in existence and will serve as a "living document" to be updated as new scientific information is published.

The report is the product of a rigorous external review by 40 rangeland scientists of published peer-reviewed scientific literature related to rangeland conservation practices. NRCS commissioned the report to evaluate its current efforts helping ranchers implement conservation practices and to help guide future efforts. A companion literature synthesis on pastureland will be published later this year.

Because most erosion prediction models were developed for use on cropland, they are not applicable to rangelands because of the complexity of vegetation and physiography. ARS scientists and others are developing computer models to predict erosion on these unique landscapes. The Rangeland Hydrology and Erosion Model (RHEM) and Wind Erosion Model (WEMO) will provide range conservationists with new tools for advising managers of rangeland on how best to control erosion.

ARS and NRCS scientists are also studying the effects and effective control of invasive woody and grass species on rangeland throughout the 17 Western States. These invasive species degrade the quality of rangeland forage and create conditions conducive to accelerated erosion. The studies are expected to lead to recommendations for improved rangeland management. The results of these studies have been incorporated into the Soil and Water Resources Conservation Act (RCA), National Conservation Program.

Watershed evaluations are also to be conducted on several regional watersheds, using the Automated Geospatial Watershed Assessment Tool (AGWA). Watershed scenarios include an evaluation of current conditions which are then compared with various levels on rangeland conservation treatments.

FINANCIAL AUDIT REMEDIATION

Mr. Kingston: Please briefly describe NRCS's efforts to improve its accounting systems. When will the agency achieve a clean audit? What progress has the agency made since its first audit? What goals will be achieved this year? What are the most difficult obstacles to overcome?

Response: NRCS continues to strive to improve its audit position. The fiscal year (FY) 2011 financial audit results reduced the number of material weaknesses from seven to five with two significant deficiencies. In addition to working to sustain progress, NRCS developed and is executing project plans to correct the remaining material weaknesses. NRCS's goal is to obtain a clean opinion in FY 2013.

NRCS is converting its core accounting system from Foundation Financial Information System (FFIS) to the Financial Management Modernization Initiative (FMMI) in May 2012. FMMI is the Department-wide core accounting system. In order to prepare for the conversion, NRCS has been conducting FMMI system testing, training personnel, and reviewing accounting records. While the FMMI conversion is a challenge, it is a necessary step for NRCS to complete in order to resolve financial system related audit findings.

In order to improve financial management, NRCS has realigned the Office of the Chief Financial Officer (CFO), to directly report to the Chief of NRCS. Additionally, NRCS is expanding the government workforce in the Office of the CFO and is transitioning its financial management from contractor support to government staff. This allows NRCS the opportunity to establish continuity in financial management and retain financial management knowledge in house. The challenge now is to successfully navigate the hiring process, train new staff and transition knowledge from contractors to the new NRCS staff while still making progress remediating audit findings and improving financial audit results.

CHANGES IN MANDATORY PROGRAMS

Mr. Kingston: Please provide a list of all changes in mandatory programs included in the fiscal year 2013 budget request. For comparison purposes, please include information on the authorized levels of mandatory funding amounts related to the programs.

Response: The information is submitted for the record.

[The information follows:]

FY 2013 President's Budget
Changes in Mandatory Programs Authorized by Dollar Amount
(Dollars in Thousands)

Program	FY 2013 Authorized 1/	Policy Change 2/	FY 2013 PB
Environmental Quality Incentives Program	$1,750,000	-$447,000	$1,303,000
Agricultural Water Enhancement Program	60,000	-	60,000
Wildlife Habitat Incentives Program	85,000	-12,000	73,000
Farm and Ranch Lands Protection Program	200,000	-	200,000
Conservation Security Programs/3	182,000	-	182,000
Agricultural Management Assistance Program	7,500	-5,000	2,500
Healthy Forests Reserve Program	-	-	-
Chesapeake Bay Watershed Program	50,000	-	50,000
Small Watershed Rehabilitation Program	165,000	-165,000	-
Conservation Reserve Program (TA Only)/4	108,000	-	108,000
Total Dollar Change	-	-629,000	-

FY 2013 President's Budget
Changes in Mandatory Programs Authorized by Acreage Enrollment
(Dollars in Thousands)

Program	FY 2013 Authorized 1/	Policy Change 2/	FY 2013 PB
Wetlands Reserve Program	$224,000	-	$224,000
Wetlands Reserve Program (acres)	(-)	(-)	(-)
Grasslands Reserve Program	5,000	-	5,000
Grasslands Reserve Program (acres)	(-)	(-)	(-)
Conservation Stewardship Program	985,000	-$13,000	972,000
Conservation Stewardship Program (acres)	(12,769,000)	(-759,632)	(12,009,368)
Total Dollar Change	-	-13,000	-

Notes:
1/ Based on OMB assumptions for re-authorized Farm Bill.
2/ Reflects impacts of General Provision Section 723 in the 2013 Budget and EQIP reduction proposed in the President's Plan for Economic Growth and Deficit Reduction.
3/ Conservation Security Program authorized to support contracts enrolled before September 30, 2008. Changes in budget authority considered statutory.
4/ Conservation Reserve Program estimates depend on FSA projections. Change in Budget authority considered statutory.

Questions Submitted by Mr. Graves

FORESTRY PRODUCTS

Mr. Graves: Under Secretary Sherman, I'm very concerned about the job losses we've seen in the forest products industry—over 300,000 jobs have been lost since 2005 in the sector.

At the same time, USDA has a program—the USDA Biobased Markets Program--favoring biobased products other than forest products—some of which are products imported from China.

Don't you think that a program that encourages the federal government and consumers to use imported products is hurting US jobs and the ability of the forestry sector to recover from the economic crisis and housing market decline?

Response: Defined by the 2002 Farm Bill, biobased products are commercial or industrial products (other than food or feed) that are composed in whole, or in significant part, of biological products, renewable agricultural materials (including plant, animal, and marine materials), or forestry materials. The 2008 Farm Bill extended the definition of biobased products to include biobased intermediate ingredients or feedstocks. With respect to the BioPreferred program, wood products definitely fall under the definition of biobased products. Moreover, the BioPreferred program does not exclude forestry-based biobased products. According to conference report language from the 2002 Farm Bill, "the intent [of the Biopreferred Markets Program] is to stimulate the production of new biobased products and to energize emerging markets for those products." Therefore, the program focuses on promoting new and emerging uses of biobased products, including forestry-based biobased products. Only biobased products that had a significant market share prior to 1972 are excluded from participation. The BioPreferred program works closely with USDA's Forest Products Research Lab in Madison, Wisconsin to ensure forest-based products applying to participate in the BioPreferred program did not have a significant market share prior to 1972. Part of the lab's mission is to help devise innovative ways to use our forests to make new consumer products.

Also, a number of USDA programs actively promote the use of wood and forestry products. For example, USDA promotes domestic wood as the preferred construction material for sustainable buildings. USDA's 2011 Strategic Sustainability Performance Plan, developed under the requirements of Executive Order 13514, establishes a specific objective in the regard: USDA should:

> "Use domestically harvested wood products, ideally locally sourced and from National Forest System lands wherever practicable and feasible, as the preferred green building material for all USDA facilities and buildings.
>
> This recently adopted policy is consistent with EO 13514 due to the environmental benefits of wood, including reduced energy consumption and reduction of greenhouse gases (GHGs). Life-cycle research studies show that fossil fuel consumption, potential contributions to CHG emissions and quantities of solid waste tend to be less for manufacturing and use of wood products than for competing products. Moreover, wood products that are installed and used appropriately attend to have lower environmental emissions and burdens than functionally equivalent products of other materials."

Questions Submitted by Ms. Kaptur

FOREST SERVICE

Ms. Kaptur: Please update the Subcommittee on the Forest Service activities surrounding the emerald ash borer.

Response: The emerald ash borer (EAB) is currently known to occur in 15 States from Minnesota across the upper Midwest to New York and south to Missouri, Tennessee and Virginia, as well as across southern Ontario and Quebec in Canada. Across the area, EAB has killed tens of millions of ash trees and poses a serious threat to the ash resource of North America.

The management of EAB across the U.S. is a complex task that involves many levels of Tribal, Federal, State, and local governments, non-governmental groups and private stakeholders. EAB-related activities within USDA are coordinated between the Animal and Plant Health Inspection Service (APHIS) and the Forest Service (FS). The FS and APHIS convened a group of subject matter experts from State and Federal agencies to develop a National EAB Framework which identifies and aligns key roles and responsibilities of the signatories: FS, APHIS, National Association of State Foresters, and the

National Plant Board representing State agriculture agencies. The Framework provides an overview of the resources available from USDA agencies and better equips State and city planners to prepare for and/or respond to EAB impacts.

APHIS works with States to survey, establish and implement regulatory actions, and provides funds to States to support containment and outreach activities. As the EAB program has transitioned from an emergency response to a management program, the FS has taken on a larger role. Under its authorities, the FS has provided technical assistance and financial resources for a number of EAB-related activities. The FS has assisted State forestry agencies and other partners to develop plans in preparation for an infestation, to restore and rehabilitate impacted landscapes, and is supporting efforts that will help increase the utilization of ash wood in communities affected by EAB.

The FS is also working with non-governmental organizations to educate people about the risk of moving firewood. EAB can be inadvertently transported long distances by moving infested firewood. The goal of community outreach is to have people aware of the risk and help minimize the spread of non-native insects.

Research and methods development work supported by the FS has resulted in tools available to survey for EAB, chemically treat trees in the urban landscape and identify and test potential biological control agents for long-term EAB management.

GREAT LAKES CONSERVATION INITIATIVES

Ms. Kaptur: Please describe in detail what role NRE will be playing in improving the quality of the Great Lakes in FY 13 and how any proposed activity is different than FY 12.

Response: The 2013 President's Budget request for NRCS proposes approximately $100 million in technical and financial assistance to work with landowners and agriculture producers in the Great Lakes Basin. Similar to FY 2012, site-specific conservation plans will be developed for participants to assist them with improving nutrient, soil and water management to protect water quality. Financial assistance will be available to implement practices such as nutrient management, conservation cover, residue management, field borders, and filter strips. Work in 2013 will build upon the conservation activities on private lands that are being implemented in 2012. In addition to NRCS resources, approximately $23 million in financial and technical assistance will be made available for delivery by the agency through an interagency agreement with the Environmental Protection Agency (EPA) for the Great Lakes Restoration Initiative (GLRI).

These funds will be used to address non-point source pollution, terrestrial invasive species and wildlife habitat in target watersheds of the Great Lakes Basin. Included in the $23 million are $10 million in financial and technical assistance funds targeted for non-point source phosphorus reduction. That $10 million is currently prioritized for reducing phosphorus in three watersheds (Upper Duck Creek and Upper East River in Wisconsin; Swartz and Kearsley Creeks in Michigan; and Upper Blanchard in Ohio). NRCS has been participating in GLRI since 2010.

Ms. Kaptur: What is NRE doing in terms of outreach to farmers to promote conservation in an effort to improve the quality of the Great Lakes, particularly Lake Erie?

Response: NRCS has provided information about conservation activities that are designed to improve water quality to numerous grower groups and at agricultural conferences, including those in the Western Lake Erie Basin. In addition, the agency is currently working with multiple partners to update its outreach plan. This outreach plan will be used to target and educate landowners, farm operators, and others on the use of conservation practices that enhance nutrient recovery by crops and that avoid, control, and trap nutrient losses before they make their way to the Great Lakes and other water bodies.

Ms. Kaptur: Please describe in detail what activities NRE is undertaking to address algal bloom in the in Lake Erie and what activities NRE is planning in FY 13.

Response: USDA recognizes that excess phosphorus entering Lake Erie has led to a dramatic increase of *Microcystis* blooms in the western basin over the past five years. These blooms have reduced the quality of water and overall health of Lake Erie, leading to negative impacts to aquatic wildlife. The Western Lake Erie Basin has been identified as a significant contributor of phosphorus to Lake Erie. USDA anticipates that general program and GLRI activities will continue in fiscal year 2013 at levels equivalent to those in fiscal year 2012, including the $10 million in financial and technical assistance that will be targeted for non-point source phosphorus reduction. That $10 million is currently prioritized for reducing phosphorus in three watersheds (Upper Duck Creek and Upper East River in Wisconsin; Swartz and Kearsley Creeks in Michigan; and Upper Blanchard in Ohio). The Upper Blanchard watershed was prioritized particularly to address phosphorous loading and algal blooms in Lake Erie. USDA is currently working with EPA and USGS to identify edge-of-field and in-stream monitoring sites within the same phosphorus reduction watersheds to measure progress and facilitate adaptive management.

As part of an effort to improve water quality and support jobs in the region that are generated through the hunting, fishing, and the outdoor recreation industry, USDA will use $2 million in EQIP financial assistance to help farmers in designated parts of Michigan, Ohio and Indiana prevent phosphorus from entering Western Lake Erie Basin waterways. Additionally, USDA has charged a team of NRCS, ARS, and university scientists with identifying and recommending conservation practices for reducing phosphorus transport into Lake Erie. The Department is committed to acting on the recommendations once they become available.

ASIAN CARP CONTROL

Ms. Kaptur: Please describe in detail what NRE's role in preventing Asian Carp from entering the Great Lakes and what funding if any in FY 13 is dedicated to stopping Asian Carp.

Response: Under the Natural Resources and Environment (NRE), the Eastern Region (R9) of the USDA Forest Service is working to prevent Asian carp (black, grass, silver and bighead carps) from entering the Great Lakes.

Efforts include participating in regional interagency working groups to coordinate the management of bighead and silver carp and funding public outreach and education partnerships to prevent the spread of aquatic invasive species, including Asian carp.

Participation in Regional Interagency Working Groups includes:

- Mississippi River Panel on Aquatic Nuisance Species;
- Great Lakes Panel on Aquatic Nuisance Species;
- Lake Michigan Lakewide Management Plan Technical Coordinating Committee; and
- Great Lakes Fish Habitat Partnership.

Public Outreach and Education Partnerships include:

- Discovery World and Riemann Aquarium; Milwaukee, WI, utilizing signage, exhibits, and educational programs for youth and adults;
- John G. Shedd Aquarium; Chicago, IL, utilizing signage, exhibits, and educational programs for youth and adults;
- Mississippi River Museum and Aquarium; Dubuque, IA, utilizing traveling exhibit to visit twelve cities over three years; and
- Wildlife Forever; focused on Great Lakes basin, but also with national reach utilizing mass media outreach and education campaign including billboards, print ads, public service announcements, and television programs.

No specific funding level has been proposed by the Forest Service in the FY 2013 Budget.

The Natural Resources Conservation Service has no Asian carp control program at this time.

ENVIRONMENTAL QUALITY INCENTIVES PROGRAM (EQIP) SEASONAL HIGH TUNNEL

Ms. Kaptur: Please describe in detail how EQIP's hoop house program is having on conservation efforts for urban producers.

Response: The Seasonal High Tunnel Initiative (hoop house) assists producers to extend the growing season for high value crops. The initiative also helps producers address one or more resource concerns by improving plant quality, improving soil quality, reducing nutrient and pesticide transportation, and reducing energy use by providing consumers with a local source of fresh produce.

NRCS provides EQIP financial and technical assistance to agricultural producers on eligible agricultural land. The extent to which NRCS is providing assistance to producers in urban areas is not closely tracked; however, NRCS is receiving requests for financial and technical assistance from producers within urban areas. High tunnels may be constructed in some urban areas, and other urban areas may have zoning restrictions or local regulations which prevent or limit the construction of the seasonal high tunnel. Regardless of the practice being constructed, participants are responsible for knowing and complying with all applicable laws and regulations.

EQIP URBAN ASSISTANCE

Ms. Kaptur: Please provide for the record what percentage of EQIP assistance is provided to producers in urban areas in FY 11 and FY 12 if possible.

Response: NRCS does not differentiate between urban and rural lands for EQIP applications and contracts. EQIP technical assistance and financial assistance can be delivered on urban lands and with urban landowners when the delivery of assistance and use of these lands are associated with agriculture, forestry, or similar activities associated with agriculture. Financial assistance may be used to address natural resource concerns in urban areas as long as the land being addressed and the participants meet program eligibility requirements.

EQIP URBAN OUTREACH

Ms. Kaptur: Is there any additional outreach planned in FY 13 to ensure that urban producers are utilizing EQIP?

Response: NRCS is not anticipating any additional outreach efforts in FY 13 to urban producers that may be eligible for EQIP financial assistance.

EQIP GREAT LAKES, LAKE ERIE

Ms. Kaptur: Will there be any targeting of EQIP funding to areas of concern in the Great Lakes, specifically on Lake Erie?

Response: The Great Lakes Restoration Initiative was established between 11 Federal agencies in 2010 to address critical resource concerns, including subsurface nitrogen and phosphorous losses. Over the past three years, NRCS in partnership with the Environmental Protection Agency, has invested $75 million above and beyond its base program funding in the Great Lakes basin, most of which has been directed toward addressing nutrient and sediment concerns. This funding is targeted both geographically—to priority watersheds that have an outsized impact on nutrient and sediment loading—and by core practices that are successful at reducing nutrient and sediment runoff. This work is producing results; a USDA report released last fall shows that farmers in the Great Lakes basin have made tremendous strides in reducing nutrient and sediment losses from their lands.

As part of an effort to improve water quality and support jobs in the region that are generated through the hunting, fishing, and outdoor recreation industry, USDA will use $2 million in EQIP financial assistance to help farmers in designated parts of Michigan, Ohio and Indiana prevent phosphorus from entering Western Lake Erie Basin waterways.

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